

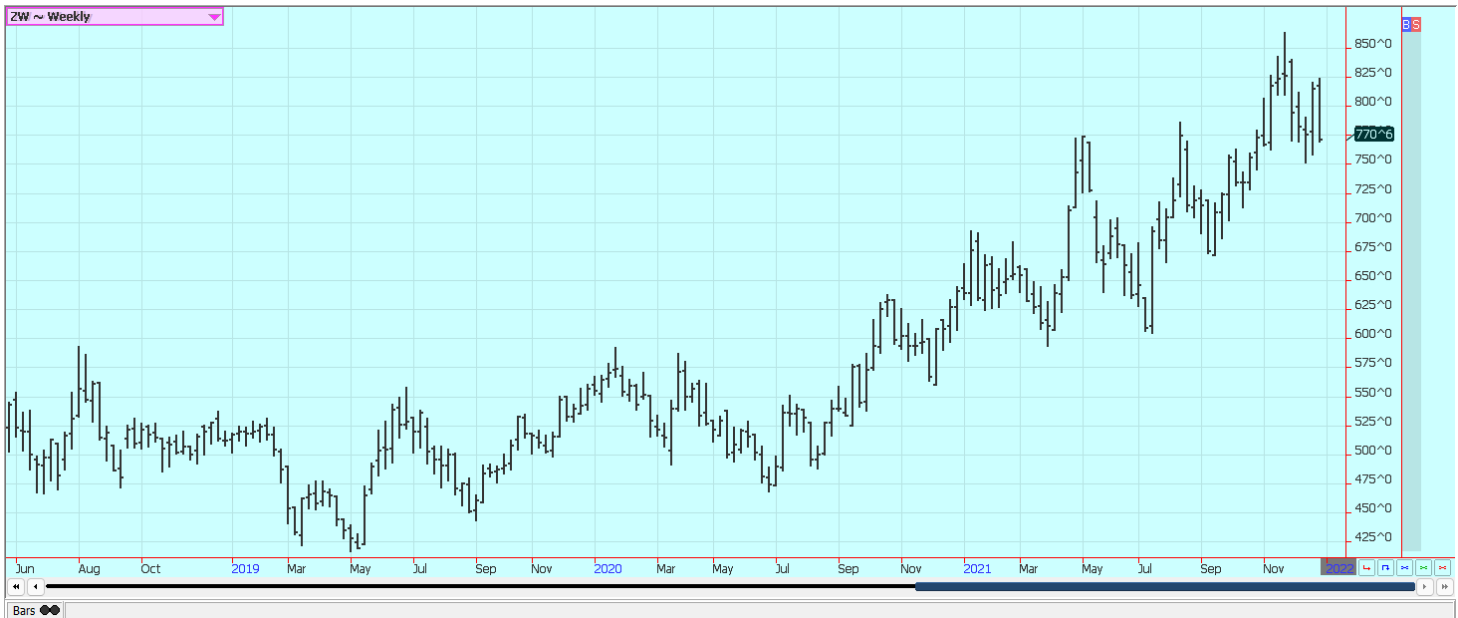
Price Group Weekly Ag Market Update

January 3rd, 2022

By Jack Scoville

Wheat: Wheat markets closed lower on Friday and lower last week after USDA announced another disappointing week of export sales. Ideas had been that the US will have good demand for Wheat as the rest of the northern hemisphere is short production this year but so far demand has been average or less against previous years. Offer volumes are down in Europe although there has been talk of increased offers from Russia. Dry weather in southern Russia as well as the US Great Plains and Canadian Prairies caused a lot less production. The lack of production has reduced the offers and Russia has announced sales quotas for next year. Russia has already increased export taxes to control the flow of export Wheat out of the country and announced last week that a quota of 8 million tons per month would be put on Wheat exports for the foreseeable future. Australia has had too much rain and the crop quality should be diminished, but conditions are drier now and the harvest is moving ahead.

Weekly Chicago Soft Red Winter Wheat Futures



Weekly Chicago Hard Red Winter Wheat Futures

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Weekly Minneapolis Hard Red Spring Wheat Futures



Corn: Corn closed lower on Friday and for the week and chart trends have turned sideways. A wetter weather pattern in southern Brazil was a reason for the selling. There was not been any demand news last week to support Corn but the weekly export sales report for Corn was stronger than trade expectations. Support came from ideas that the overall fundamental picture for Corn is bullish as dry conditions continue in South America have been affecting summer Corn and Soybeans production. Corn has relatively tight supplies as farmers are mostly done harvesting and not selling, but ideas are that farmers are delivering enough to keep the market satisfied. Demand has been

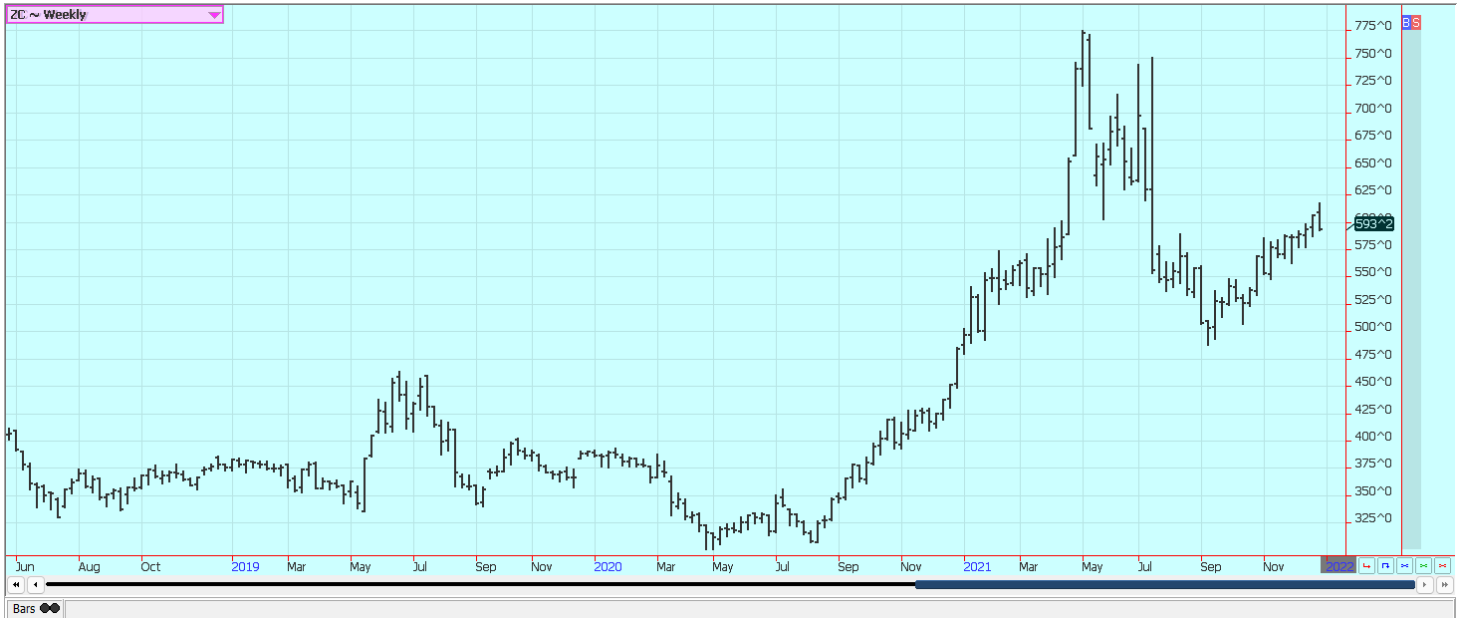
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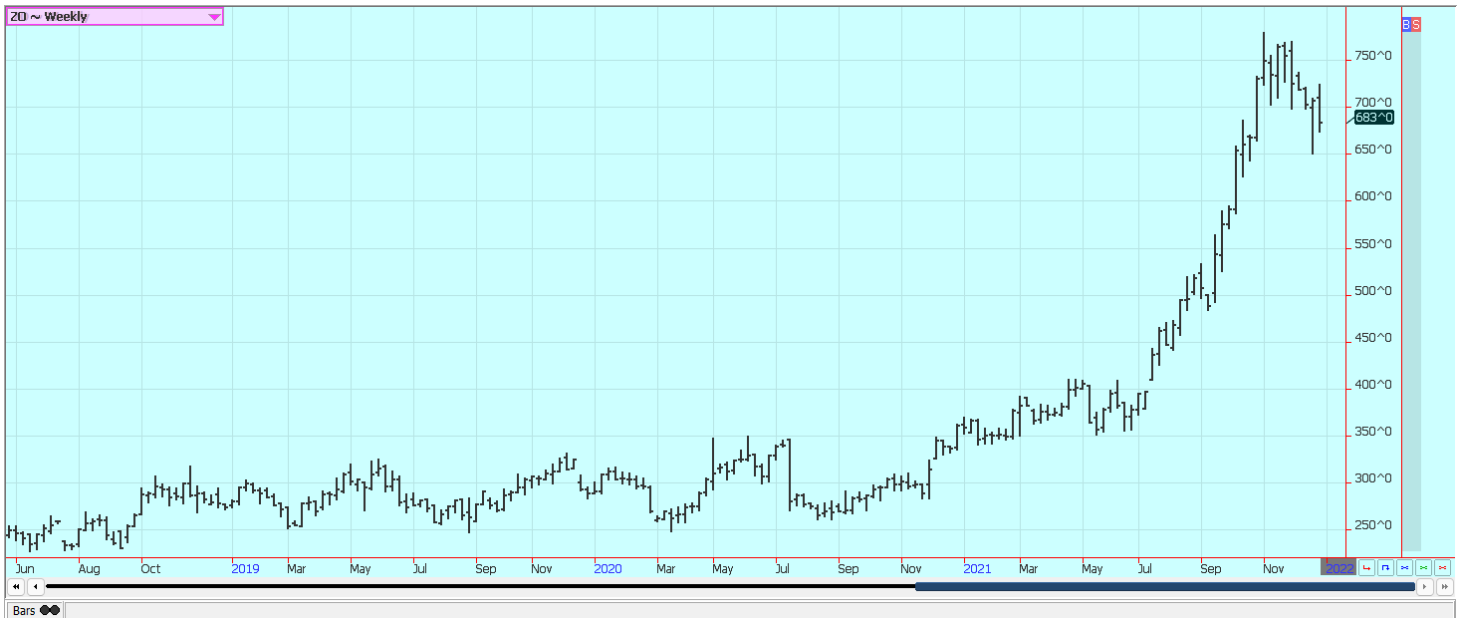
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strong for exports and very strong for Ethanol consumption. Interior basis levels are reported to be strong due to strong demand. There are a lot of ideas that production and planted and harvested area will be significantly less next year due to the lack of fertilizers available and the cost of production but so far new crop futures have not been real strong.

Weekly Corn Futures



Weekly Oats Futures



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Soybeans and Soybean Meal: Soybeans and the products traded lower as rains started to fall in southern Brazil. The rains mostly fell in Parana with RGDS farther south still mostly dry. The rains are timely and will help crops in these areas.. The market was also preparing for First Notice Day today. The dry weather in southern Brazil and in Paraguay and Argentina had been helping to feed the rally.. Planting and initial crop development is going very well in central and northern Brazil but it has been very dry in southern Brazil and in parts of Argentina. Drier weather is returning to these areas after some showers fall this week and a dry bias is expected due to La Nina conditions. Reports indicate that some Corn has been lost and ideas are that Soybeans could become stressed if the dry weather returns. It has been very wet in northern Brazil and ideas of Soybean crop losses there are also circulating. The conditions are more stable now. Brazil could have soybeans ready for export by the end of February and the crop potential is up to 150 million tons although many are now starting to drop production outlooks due to the hot and dry weather. Ideas are now that Brazil can produce between 140 and 145 million tons of Soybeans this year due to the losses in the south.

Weekly Chicago Soybeans Futures:

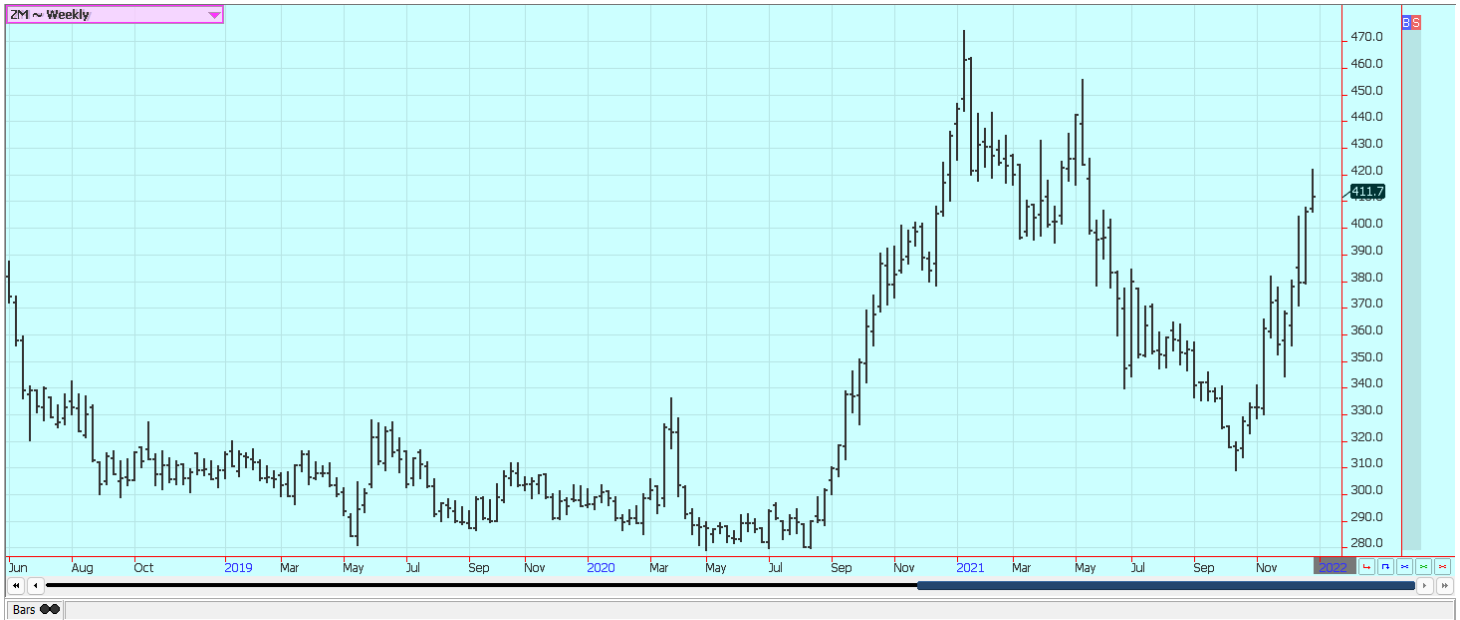


Weekly Chicago Soybean Meal Futures

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Rice: Rice was a little higher again on Friday and higher for the week last week. Futures and cash market trading have been quiet for the holidays. Many producers are done harvesting and are hunting and not interested in selling. Mills have already purchased what they need for the holidays as will not show much interest in the market until the first part or the middle of next month. The cash market is reported to be relatively strong as prices have held firm despite the quiet activity.

Weekly Chicago Rice Futures



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Palm Oil and Vegetable Oils: Palm Oil was higher again on Friday and closed the year on a strong note. Traders are mostly worried about demand from India who has been buying Soybean Oil in the US instead of Palm Oil from Malaysia and Indonesia and is also worried about China and its demand for Palm Oil for bio fuels. Support still comes from ideas that supply and demand are in balance or supplies are short. There are ideas of tight supplies due to labor problems. There are not enough workers in the fields due to Coronavirus restrictions. Production has also been down to more than offset the export losses so prices have trended higher. Canola was lower along with Chicago and as the market prepared for First Notice Day on Monday. January was by far the weakest month and gave back the strong gains from Wednesday. Farmers are bullish and reluctant to sell because of the sharp reduction in Canola production in Canada this year. The buy side thinks that Canola is fully priced but the farmers are still holding out for more.

Weekly Malaysian Palm Oil Futures



Weekly Chicago Soybean Oil Futures

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Weekly Canola Futures:



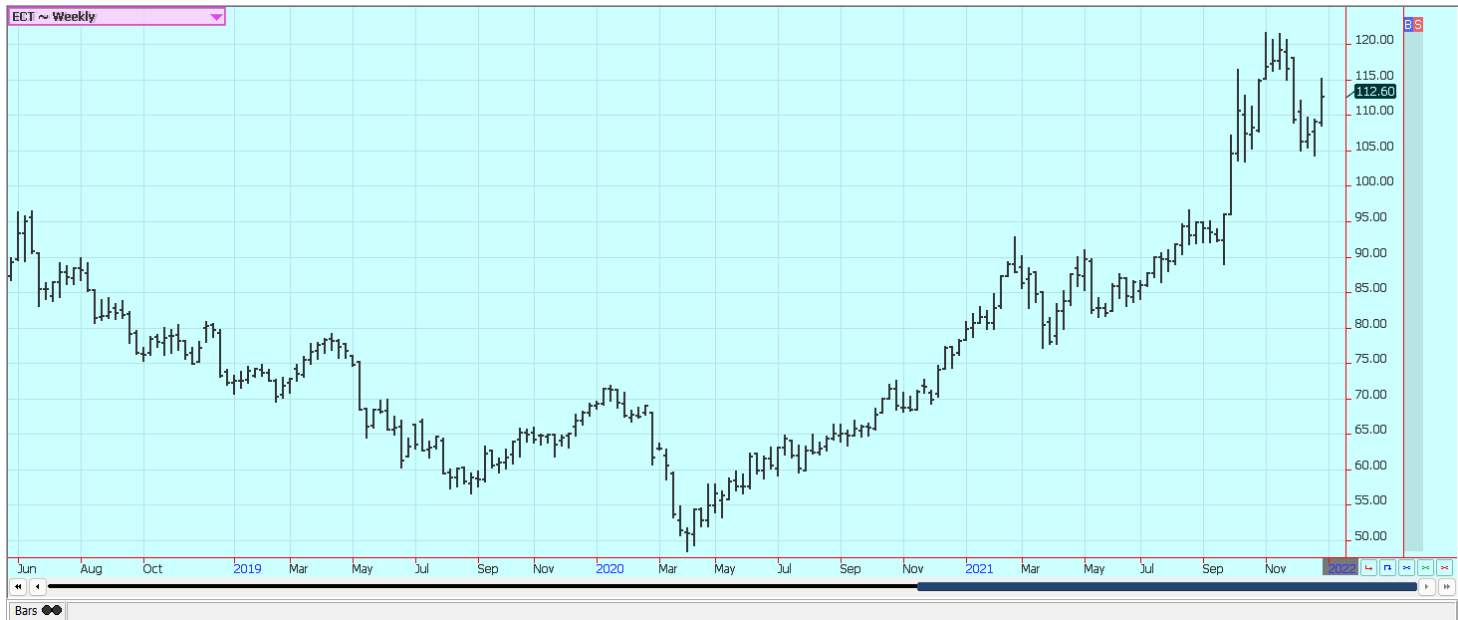
Cotton: Cotton futures closed higher again last week on follow through buying as the bull market remained alive. Trends remain up on the charts. Ideas are that demand remains strong for US Cotton. Analysts say the Asian demand is still very strong and likely hold at high levels for the future. US consumer demand has been very strong as well despite higher prices and inflation. Good US production is expected for next year as planted area is expected to increase due to high Cotton prices and the expense of planting Corn.

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Weekly US Cotton Futures



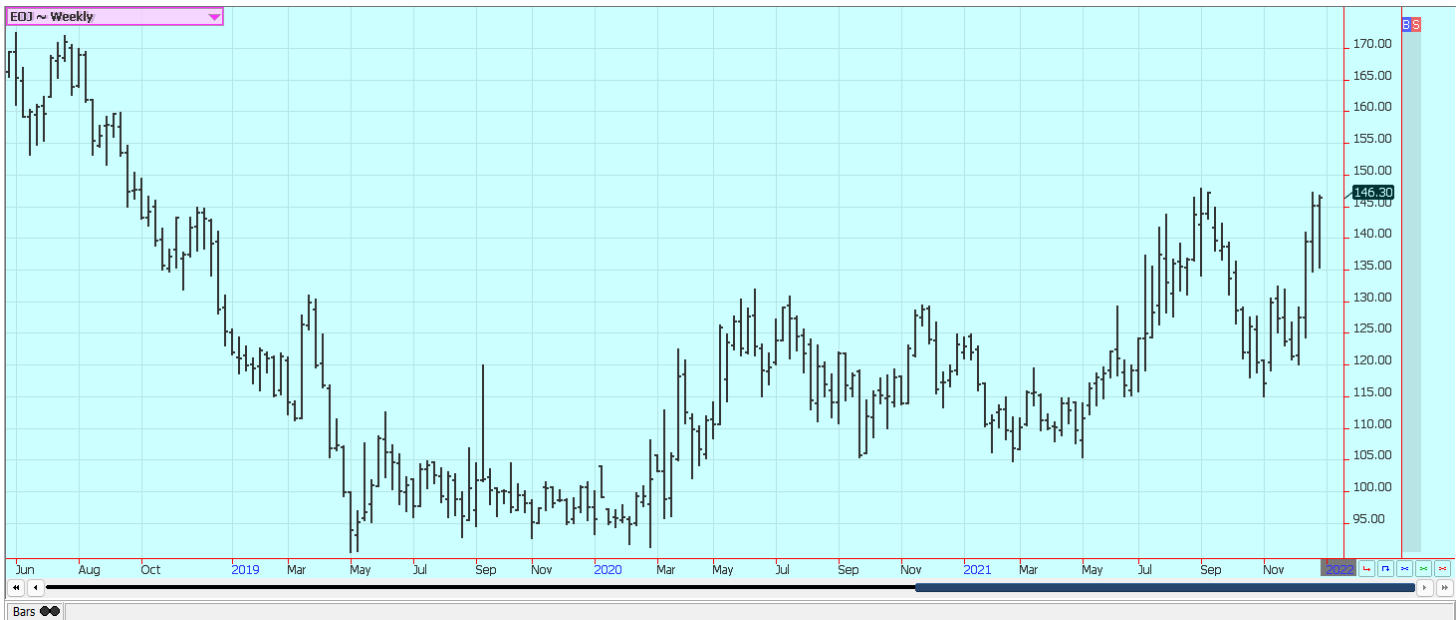
Frozen Concentrated Orange Juice and Citrus: FCOJ was higher and closed near the highs of the recent trading range. The trends are still sideways to up on the charts. The weather remains generally good for production around the world. Brazil has some rain and conditions are rated very good. Brazil production was down last year due to dry conditions at flowering time and then a freeze just before harvest. Weather conditions in Florida are rated mostly good for the crops with a couple of showers and warm temperatures. Mexican crop conditions in central and southern areas are called good with rains. Northern and western Mexico is rated in good condition.

Weekly FCOJ Futures

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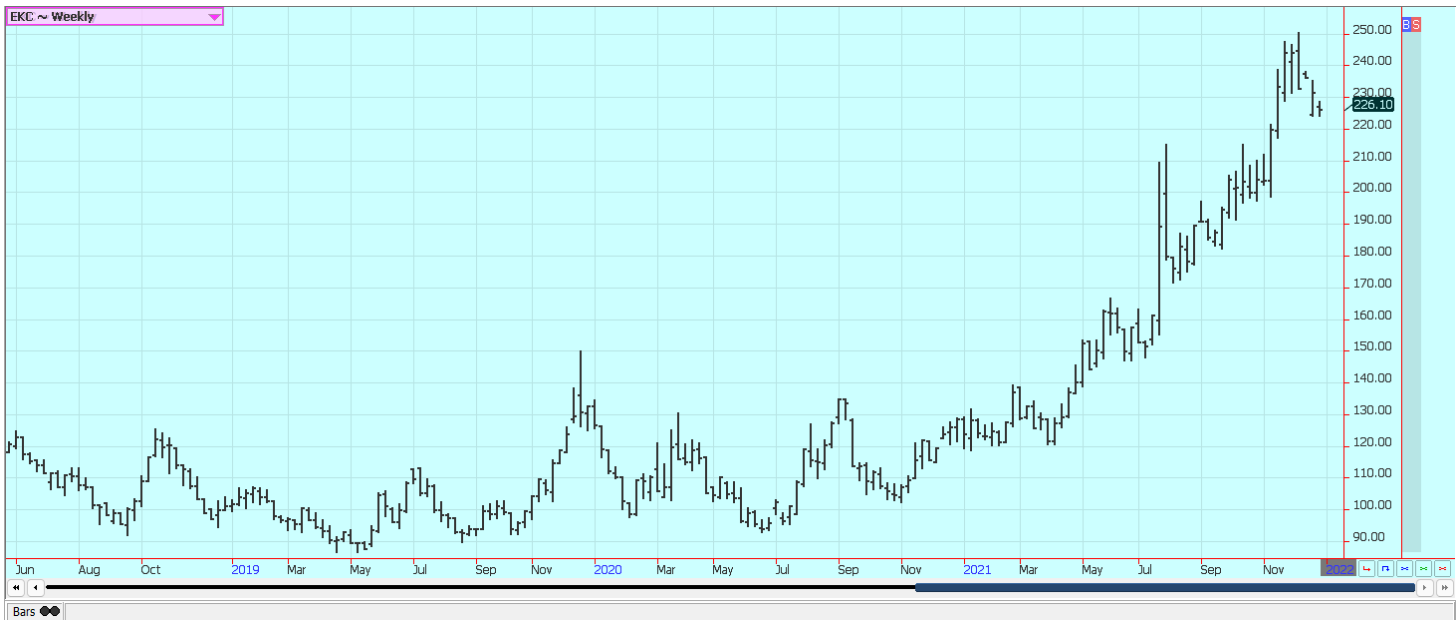
Coffee: Both markets closed lower Friday on some positioning before the end of the year, but the logistical problems keeping Coffee away from the US and Europe remain. Futures were lower in New York for the week, but a little higher in London. The logistical and production problems in Brazil and Vietnam are still around. The dry weather and then the freeze in Brazil have created a lot of problems for the trees to form cherries this year. The lack of Coffee available to deliver against contracts remains a factor and the cheapest Coffee for buyers is often at the exchanges. Containers are not available in Vietnam or in Brazil to ship the Coffee. Cherry pickers are hard to find in Vietnam due to Covid problems. The rest of Southeast Asia should get scattered showers in the islands and mostly dry conditions on the mainland. Brazil also has limited amounts of Coffee available after bad weather at flowering time and then a freeze before the harvest got underway. Production conditions for the next crop in Colombia are not real good.

Weekly New York Arabica Coffee Futures

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Weekly London Robusta Coffee Futures



Sugar: New York and London closed a little higher on Friday, but lower for the week on reports of very beneficial and timely rains for dry central-south areas of Brazil. Sugar crops in these areas got a lot of help from the rains. Weaker demand ideas were still being caused by reports of new lockdowns in Europe as the Covid returns there and reports of a new variant discovered in Africa. Some stores and restaurants are closing in the US. However, the effects of the new variant are reported to be mild so the fears were less. Reports indicate that consumer demand has returned to

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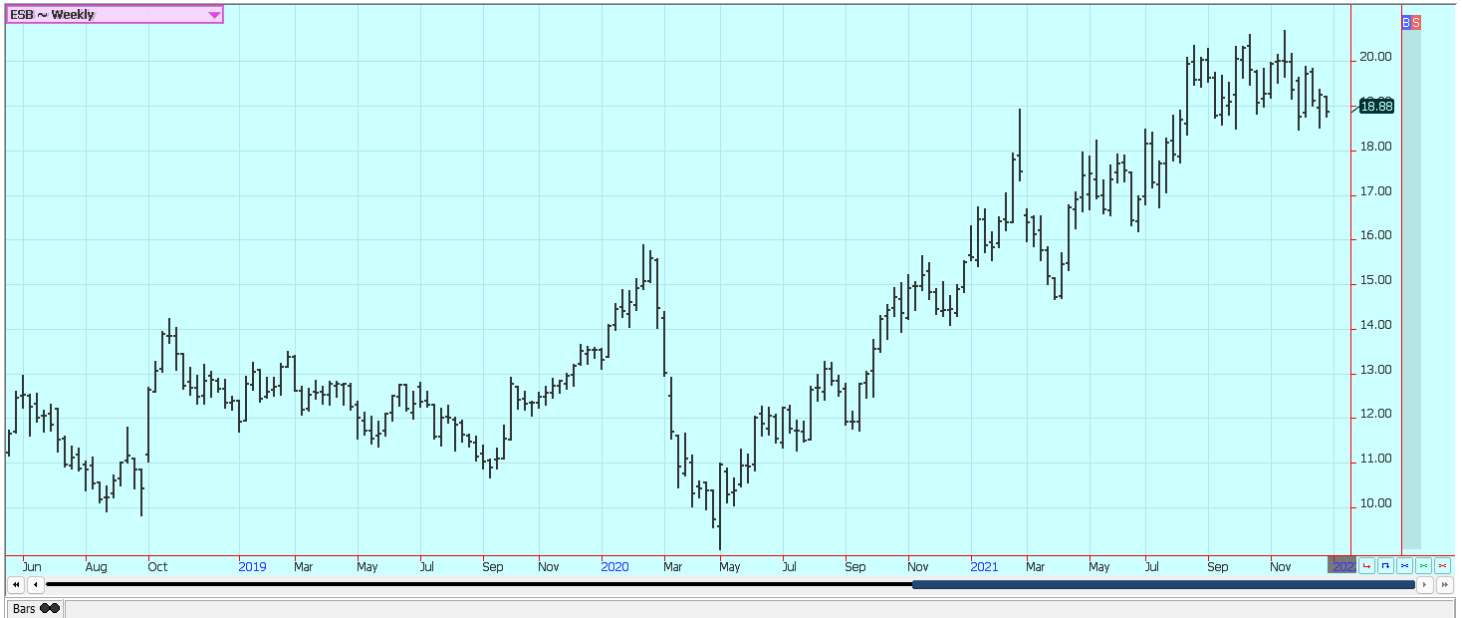
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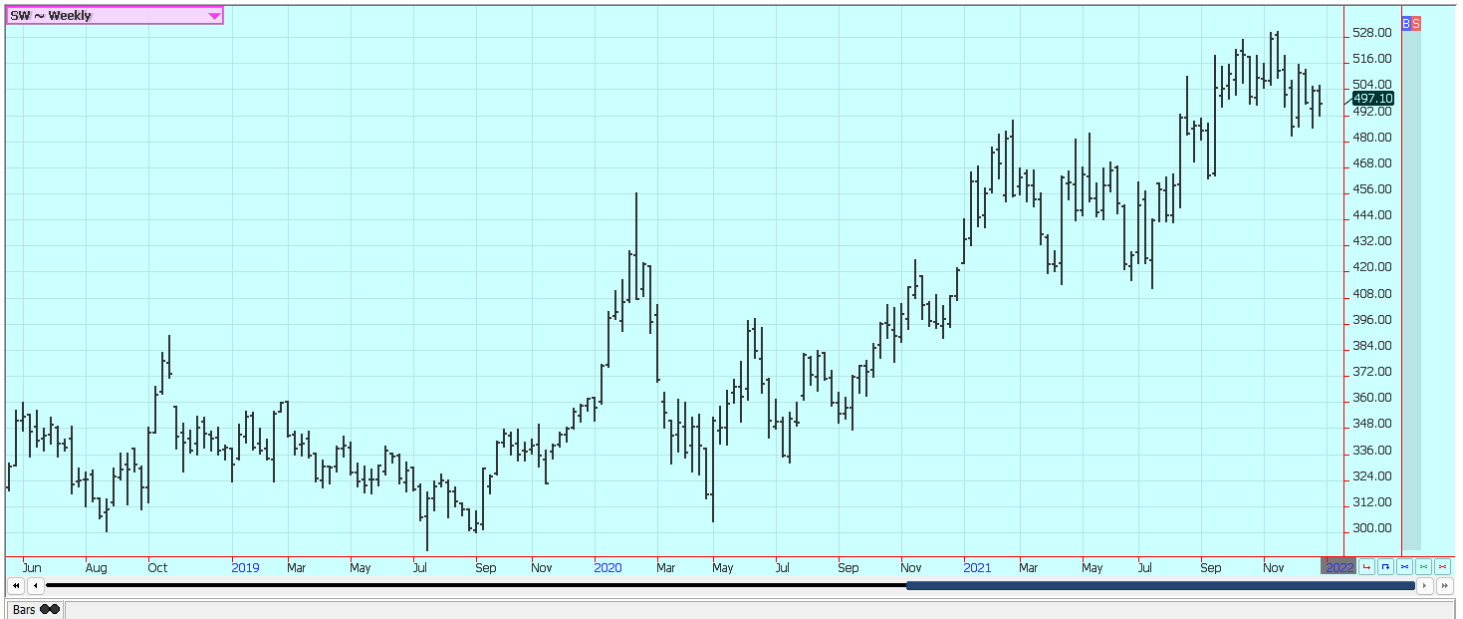
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the market. Ideas are that the supplies are out there but it will take a stronger price to get them into the market.

Weekly New York World Raw Sugar Futures



Weekly London White Sugar Futures



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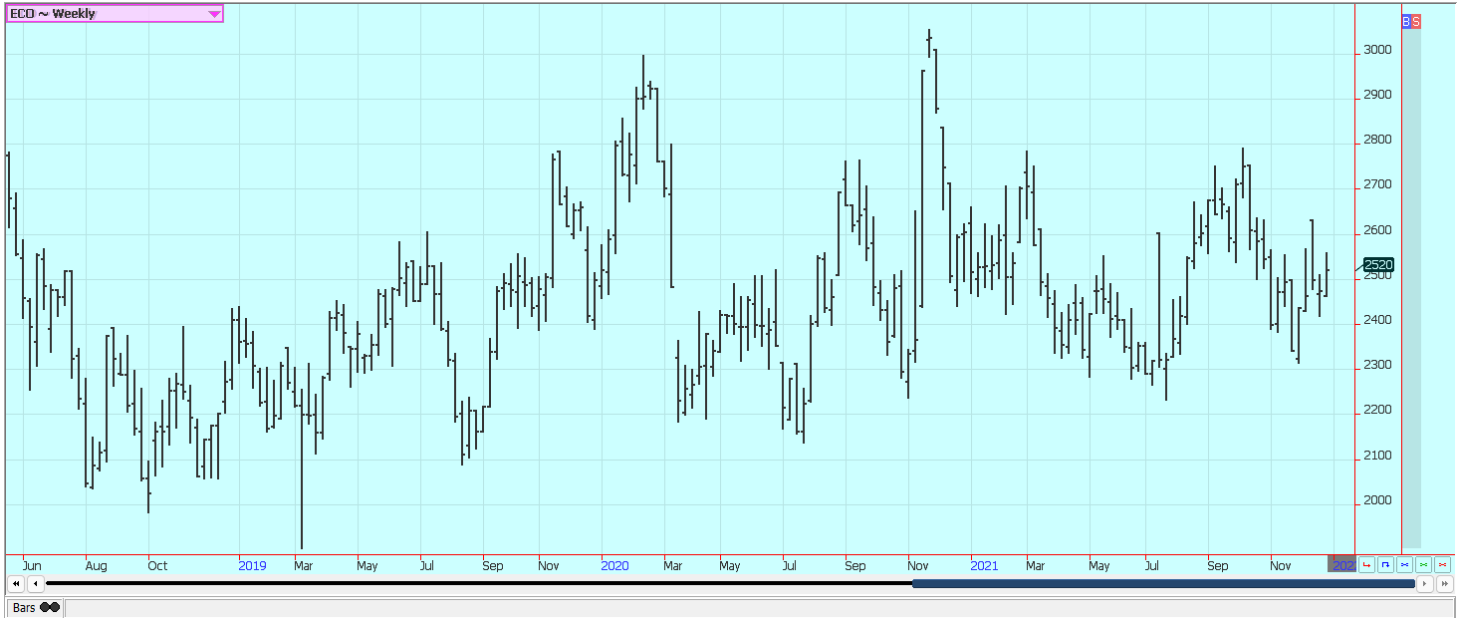
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Cocoa: New York and London closed lower again Friday but higher for the week as the weather is generally good for West Africa and Southeast Asia. Ideas are that demand will only improve slightly if at all and production in West Africa appears to be good this year. Both Ivory Coast and Ghana are reporting improved weather as it is now mostly sunny with some scattered showers around. Some farmers want more rain for the best Spring harvest results. Trends are starting to turn up in these markets.

Weekly New York Cocoa Futures

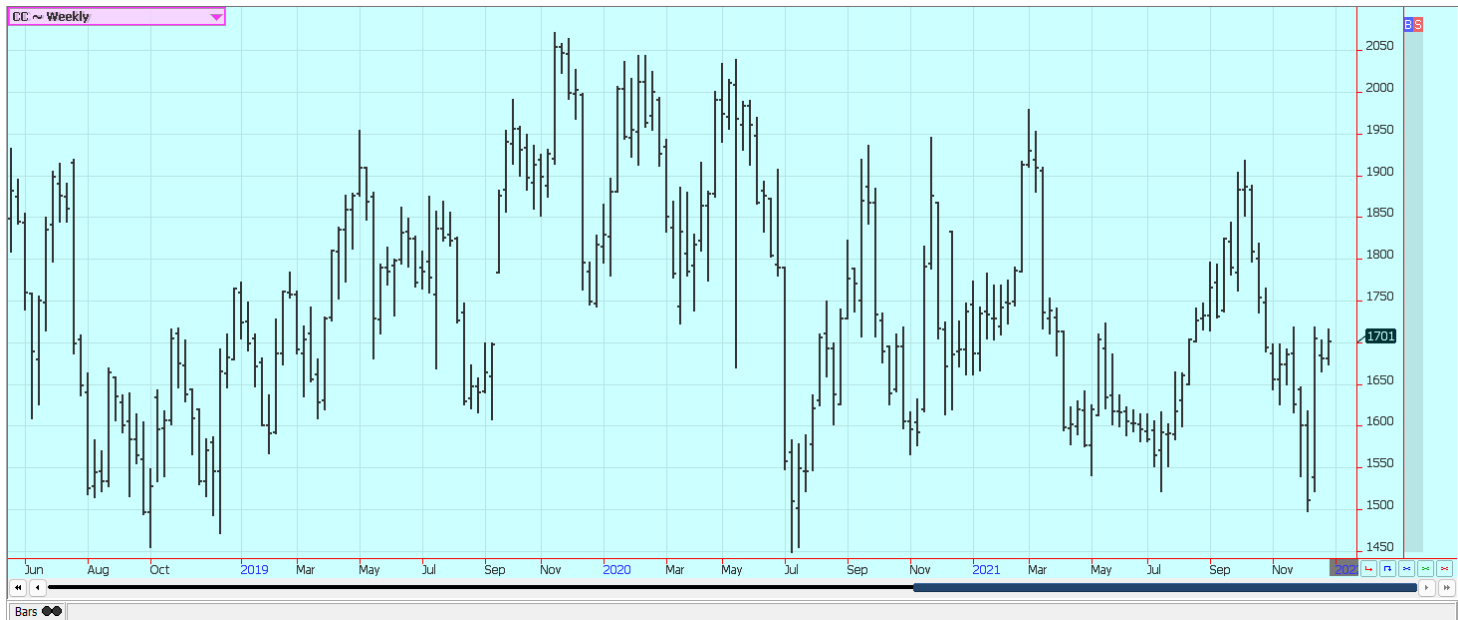


Weekly London Cocoa Futures

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