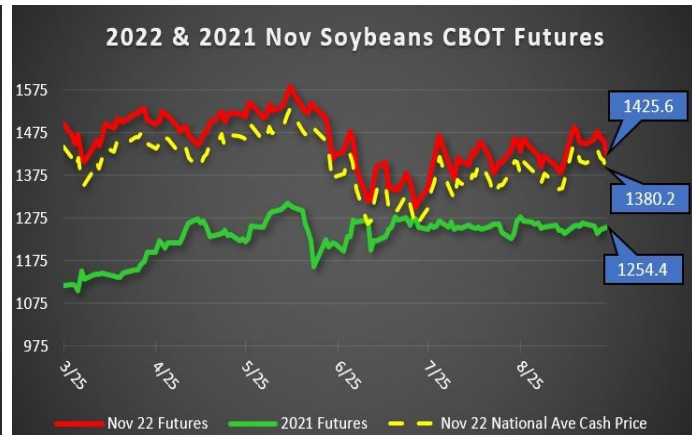
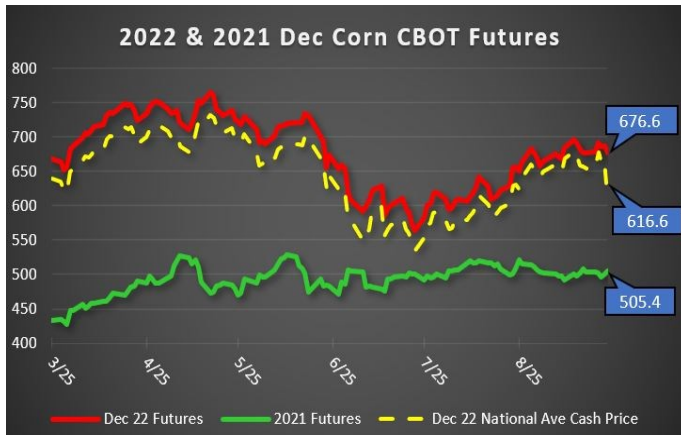


SEPT 23, 2022

KEY TAKE AWAYS:

- The week was dominated by the Federal Reserve’s decision to raise interest rates again. The effect of which was felt across all asset classes, corn and soybeans included. Adding insult to injury, the U.S. dollar is significantly higher making U.S. grain less attractive than Brazilian and Argentinian grain.
- Corn saw a brief spike higher on reports of Russia preparing to accelerate their war effort, effectively undermining Ukraine’s export program. Corn was then pressured lower due to the Fed’s decision and harvest starting to pick up in the Midwest. It’s too soon to tell what yields will be, but the extended forecast is mostly favorable for harvest.
- Soybeans were down sharply with a more dramatic response to increased interest rates. The soybean products were able to survive this week relatively unscathed, so that should help soybean prices rebound. Soybean harvest is getting started as well with most of the progress in the Delta, but again, it’s too soon to tell what yields will be like.

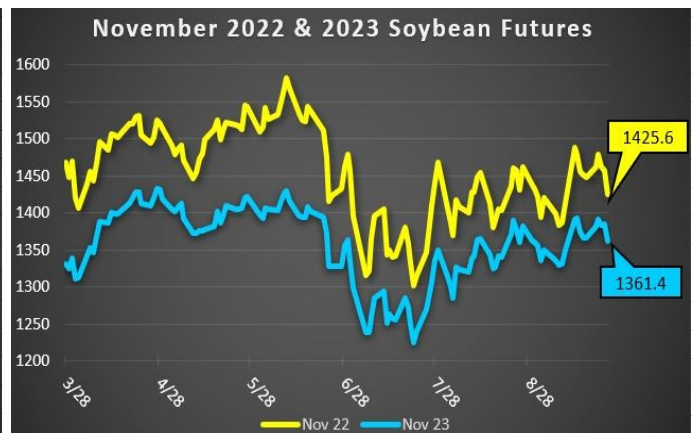
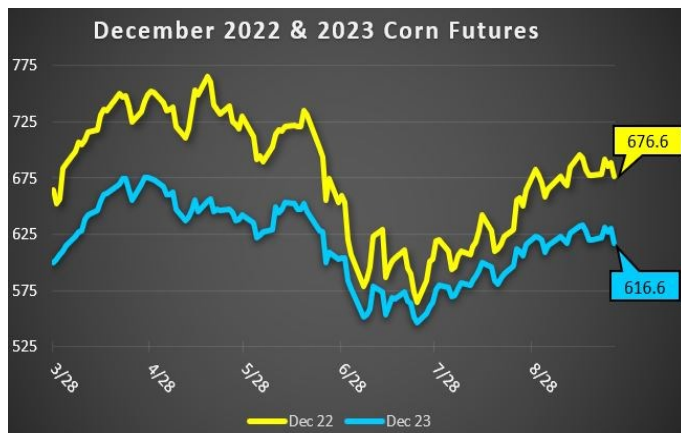


CASH PRICES

Cash prices and the corresponding basis's have been documented from grain elevators and processors from various locations throughout the state of Iowa.

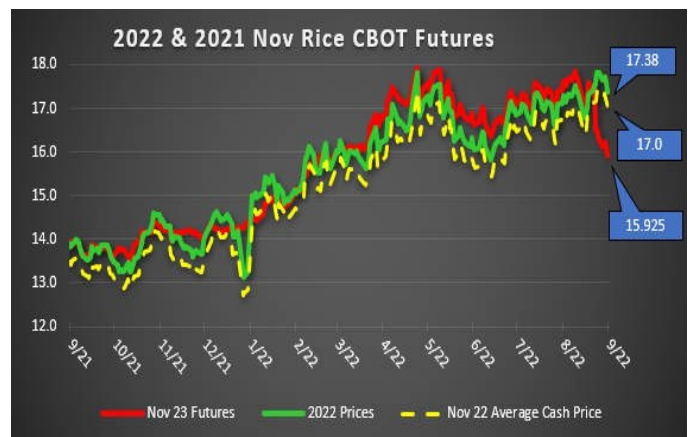
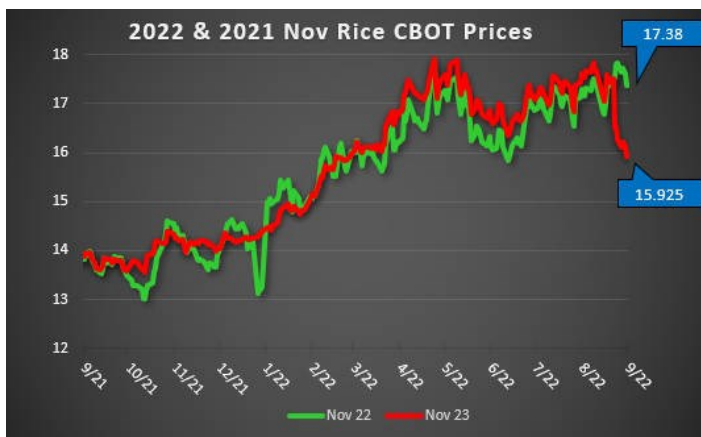
KEY TAKE AWAYS:

- Old crop cash corn prices are mostly unchanged from last week with bids around \$6.80 in Iowa. Other parts of the country are 10¢ - 20¢ lower. New crop cash bids are varied but mostly in the \$6.40 range. Normally basis should be slipping wider by this time of year, but so far the basis has remained at a nine year high of roughly 35¢ under.
- Old crop cash soybeans are down about 50¢ from last Friday at roughly \$13.80 in Iowa. To the east and in the Delta, bids are still over \$14.00. New crop bids are around \$13.65 and the soybean basis is also exceptionally strong at 60¢ under.



RICE:

- India imposed controls on exports of several varieties of rice on Friday, in a move likely to affect the global market for one of the most commonly eaten staple foods as commodity prices surge following Russia's invasion of Ukraine.
- The world's leading exporter of rice, accounting for about 40% of the global trade — imposed a 20% duty on unmilled white rice, husked brown rice and semi-milled or wholly-milled rice. The curbs apply to roughly 60% of India's overall rice exports.
- In Arkansas, prices remain in the \$16/\$16.50 per cwt for hybrid and conventional respectively, and the same goes for Mississippi and Missouri as well.
- Export prices have firmed slightly in recent weeks, perhaps on account of India's tariff, or perhaps because of decreased supply overall; in either case, USA 5% was quoted at \$710 pmt at the beginning of September, and is now closer to \$720 pmt.



COTTON:

- Bearish traders saw this as a precursor to a decline in cotton demand. After trading above \$1.00 for six consecutive weeks, cotton closed Friday at \$0.993 on limit down action.
- With world consumption projected to decline by 500,000 bales, the all-important ending stocks is estimated to grow by 2,000,000 bales.
- Cotton is influenced by the economic environment more so than any other commodity. Thus, it often moves in sync with equity markets. Therefore, it is safe to say some of cotton's \$0.055 drop in price last week was driven by a meltdown in the stock market.
- Keep in mind, though world production was raised, cotton fundamentals remain sound with ending stocks at very manageable levels, a fact borne out by merchants still wanting and buying cotton.

