

Soybean complex futures finished the first half of May lower as weak export demand and rapid planting pace across the Midwest weighed on the market. USDA on May 12 released its latest WASDE report. The report provided the first glimpse at new crop balance sheets and incorporated acreage estimates from March's Prospective Plantings report. The domestic soybean 2023/24 balance sheet called for larger supplies, crush, and ending stocks compared to a year ago. The soybean crop was projected to increase 5 percent to 4.51 billion bushels. This was at the top end of the range of analysts' pre-report estimates. Forty-nine percent of the soybean crop was planted through the week ending May 14. This was 14 points ahead of the previous week and 13 points ahead of the 5-year average. The soybean crush was pegged at 2.31 billion bushels on favorable crush margins and soybean oil demand. April NOPA crush data indicated a monthly crush of 173.232 million bushels, an all-time high for April and 2 percent higher than a year ago. Exports were pegged to fall amid strong competition from South America and limited gains in global import demand. Domestic ending stocks were pegged at 335 million bushels. This was above the average analysts' pre-report estimate of 282 million but within the range of estimates. The global soybean balance sheet called for higher South American production and higher soybean crush in Argentina, China, and Brazil after a rebound in supply in southern South America. The pace of global oilseed trade was expected to grow slower than the pace witnessed over the past decade. Global ending stocks were pegged at 122.5 million metric tons, above the range of analysts' pre-report estimates. The Black Sea grain deal is set to expire May 18 with no additional talks planned through the end of the week. Market attention will soon shift from planting progress to crop conditions as we enter the summer months as well as new crop export demand. Our clients are remaining patient in pricing new crop soybeans and have looked to lighten delta on existing hedges to retain protection but reopen upside opportunity.



The estimated yield for the Jul 2023 crop is 65 bushels per acre and the non-land operating cost is \$363 per acre. Land cost for Jul 2023 is estimated at \$252 per acre¹. Basis for the Jul 2023 crop is estimated at \$0 per bushel.



The estimated yield for the Nov 2023 crop is 64 bushels per acre and the estimated operating cost is \$508 per acre. Land cost for Nov 2023 is estimated at \$282 per acre¹. Basis for the Nov 2023 crop is estimated at \$-0.3 per bushel.

¹ The Soybeans Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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