



StoneXTM



Bailey Elchinger

Regional Director

Risk Management Consultant

StoneX Financial Inc. – FCM Division

Bailey.Elchinger@stonex.com

419-373-6344



DISCLAIMER



The trading of derivatives such as futures, options, and over-the-counter (OTC) products or “swaps” may not be suitable for all investors. Derivatives trading involves substantial risk of loss, and you should fully understand those risks prior to trading. Past financial results are not necessarily indicative of future performance. All references to futures and options on futures trading are made solely on behalf of the FCM Division of StoneX Financial Inc., a member of the National Futures Association (“NFA”) and registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a futures commission merchant. All references to and discussion of OTC products or swaps are made solely on behalf of StoneX Markets LLC (“SXM”), a member of the NFA and provisionally registered with the CFTC as a swap dealer SXM’s products are designed only for individuals or firms who qualify under CFTC rules as an ‘Eligible Contract Participant’ (“ECP”) and who have been accepted as customers of SXM.

This material should be construed as market commentary, merely observing economic, political, and/or market conditions. It is not intended to refer to any particular trading strategy, promotional element or quality of service provided by the FCM Division of StoneX Financial Inc. or SXM.

Neither the FCM Division of StoneX Financial Inc. nor SXM is responsible for any redistribution of this material by third parties or any trading decisions taken by persons not intended to view this material. Information contained herein was obtained from sources believed to be reliable, but is not guaranteed. These materials represent the opinions and viewpoints of the author, and do not necessarily reflect the opinions or viewpoints of the FCM Division of StoneX Financial Inc. or SXM.

All forecasting statements made within this material represent the opinions of the author unless otherwise noted.

Factual information believed to be reliable, was used to formulate these statements of opinion; but we cannot guarantee the accuracy and completeness of the information being relied upon. Accordingly, these statements do not necessarily reflect the viewpoints employed by the FCM Division of StoneX Financial Inc. or SXM. All forecasts of market conditions are inherently subjective and speculative, and actual results and subsequent forecasts may vary significantly from these forecasts. No assurance or guarantee is made that these forecasts will be achieved. Any examples given are provided for illustrative purposes only, and no representation is being made that any person will or is likely to achieve profits or losses similar to those examples.

Reproduction or use in any format without authorization is forbidden. © Copyright 2021. All rights reserved.



What will the wheel turn to in 2022?



Source: Speaker's wild @^\$ guess

USDA January Report Beans

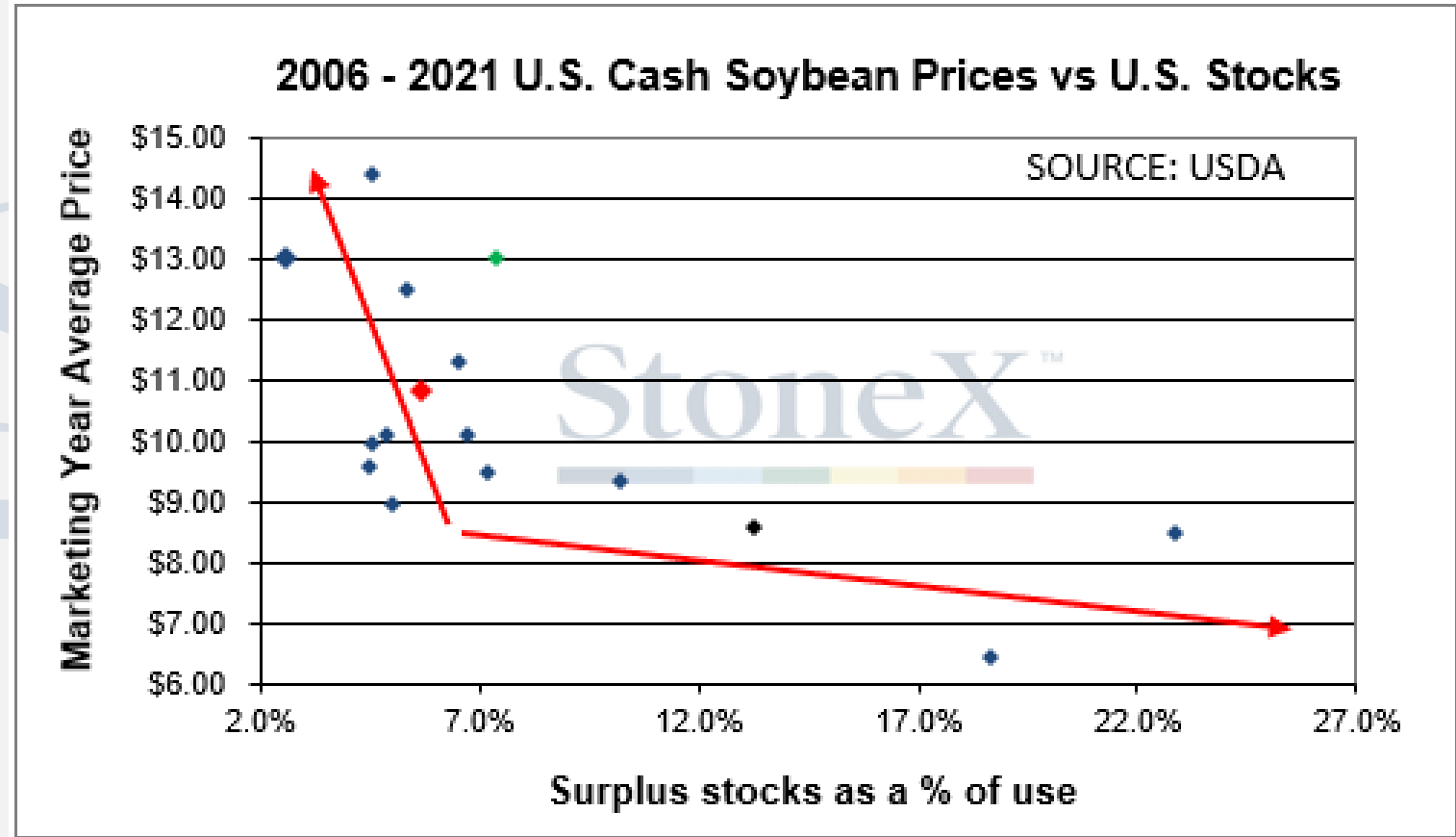
2021 Crop

Source: USDA

	JAN USDA 21/22	FEB USDA 21/22
Planted	87.2	87.2
Harvested	86.3	86.3
Yield	51.4	51.4
Carry-in	257	257
Imports	15	15
<u>Production</u>	<u>4435</u>	<u>4435</u>
Total Supply	4707	4707
Crush	2190	2215
Exports	2050	2050
Seed	102	102
<u>Residual</u>	<u>16</u>	<u>16</u>
Total Use	4357	4357
Carryout	350	325
Carryout/Use	8.0%	7.5%

USDA January Report Beans

2021 Crop

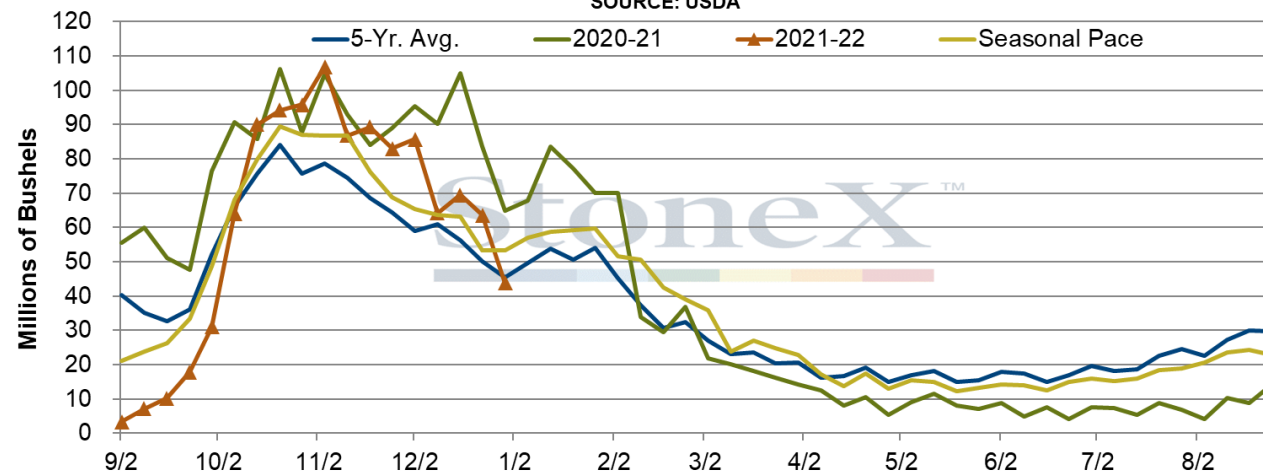


Source: USDA

Bean Exports

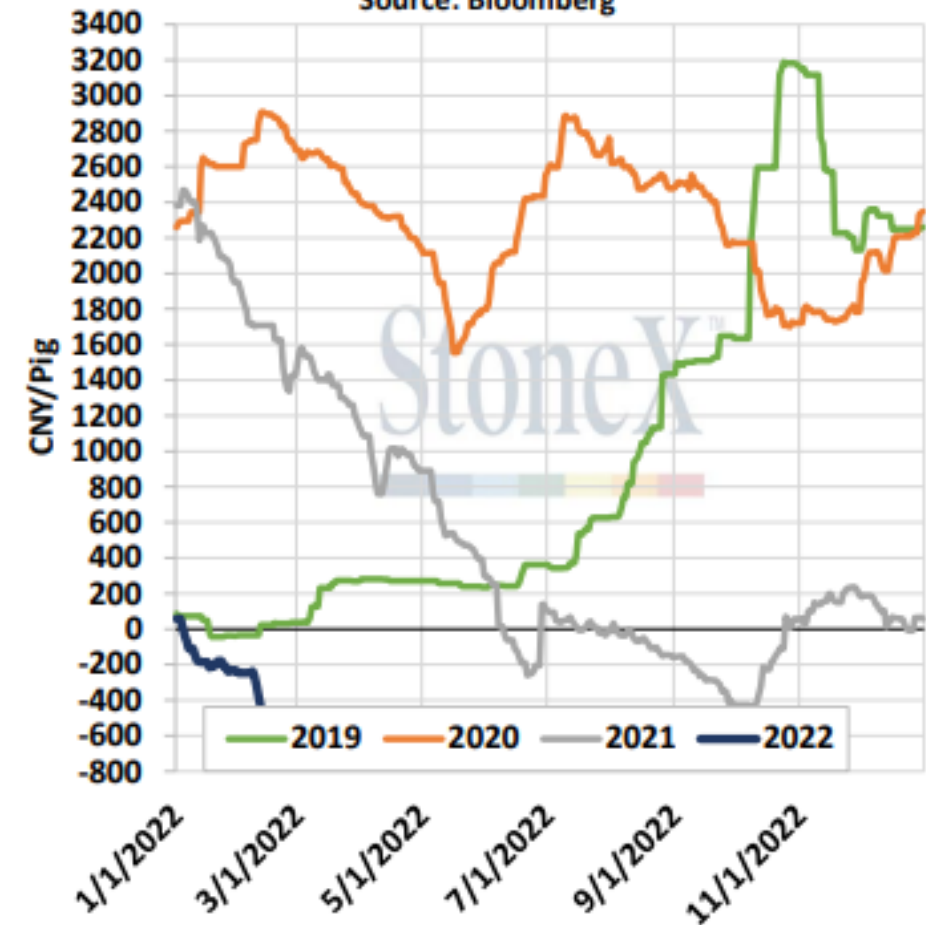
Weekly Soybean Shipments Versus Seasonal Pace

SOURCE: USDA



China National Average Hog Feeding Margins

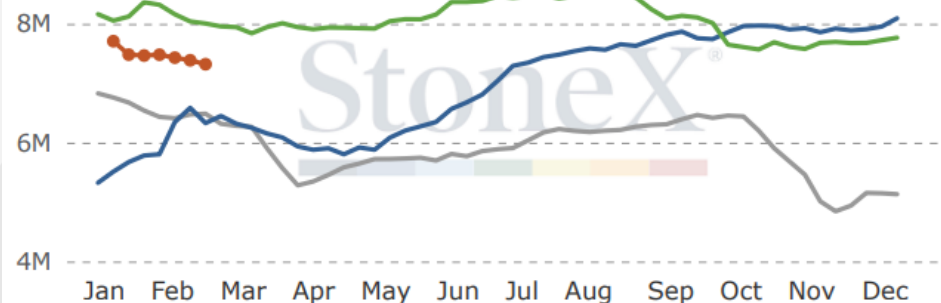
Source: Bloomberg



Bean Exports

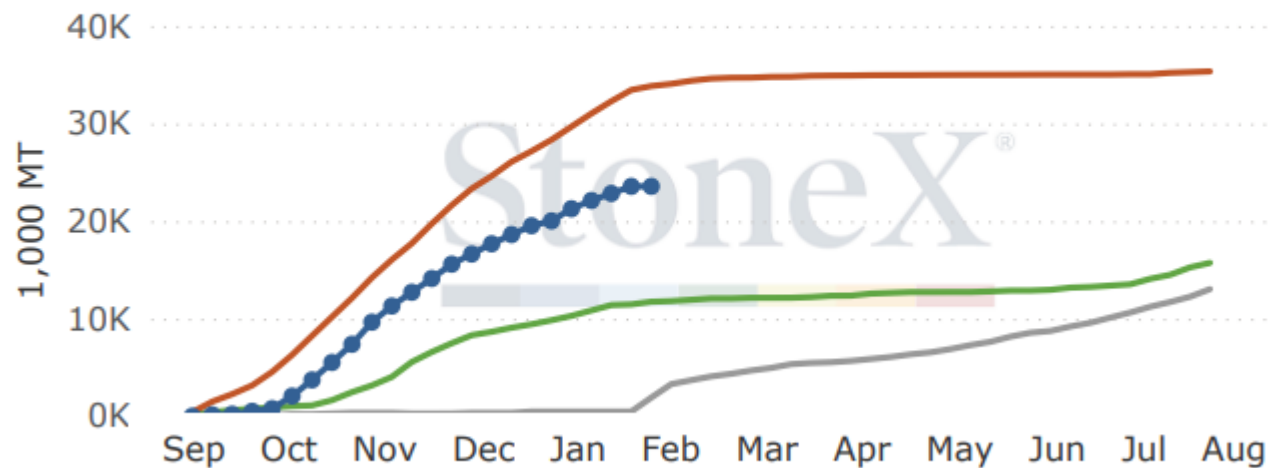
China Imported Soybean Port Stock National Weekly

Year ● 2019 ● 2020 ● 2021 ● 2022



USDA Soybeans Accumulated Exports China

Marketing Year ● 2018-2019 ● 2019-2020 ● 2020-2021 ● 2021-2022



Source: Bloomberg, JCI, USDA, China Customs

China Soybean Crush Margins Daily



Source: Bloomberg, JCI, China National Grain & Oils Info Center

China Demand

WHEEL OF FORTUNE

China Economy

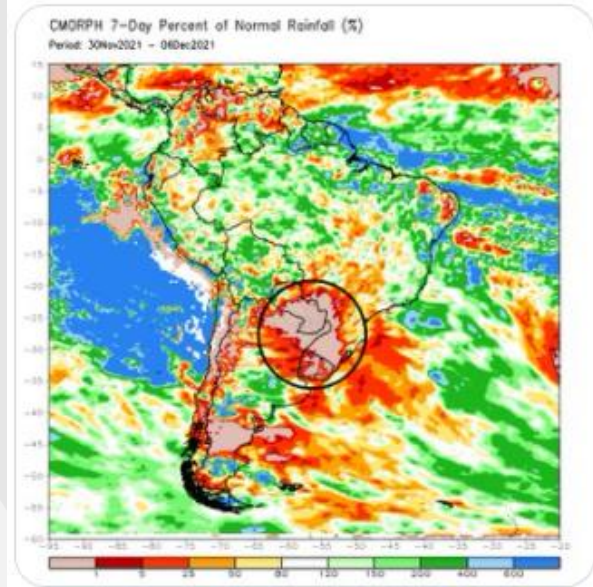
Bean Exports

BAMWX @bamwxcom · Dec 8, 2021
☀️ Areas in southern Brazil, Uruguay, and NE Argentina have seen little-to-no precipitation so far in DEC ☀️

Our latest report discusses the drier - and warmer - risks ahead.

Email ✉️ matt@bamwx.com for more info/samples of our South America Reports.

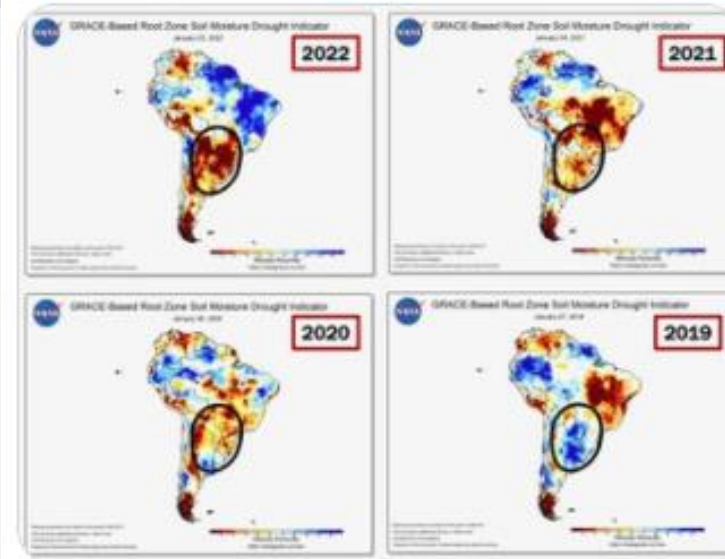
#OATT #AGwx #corn #soybeans



Source: BAMWeather

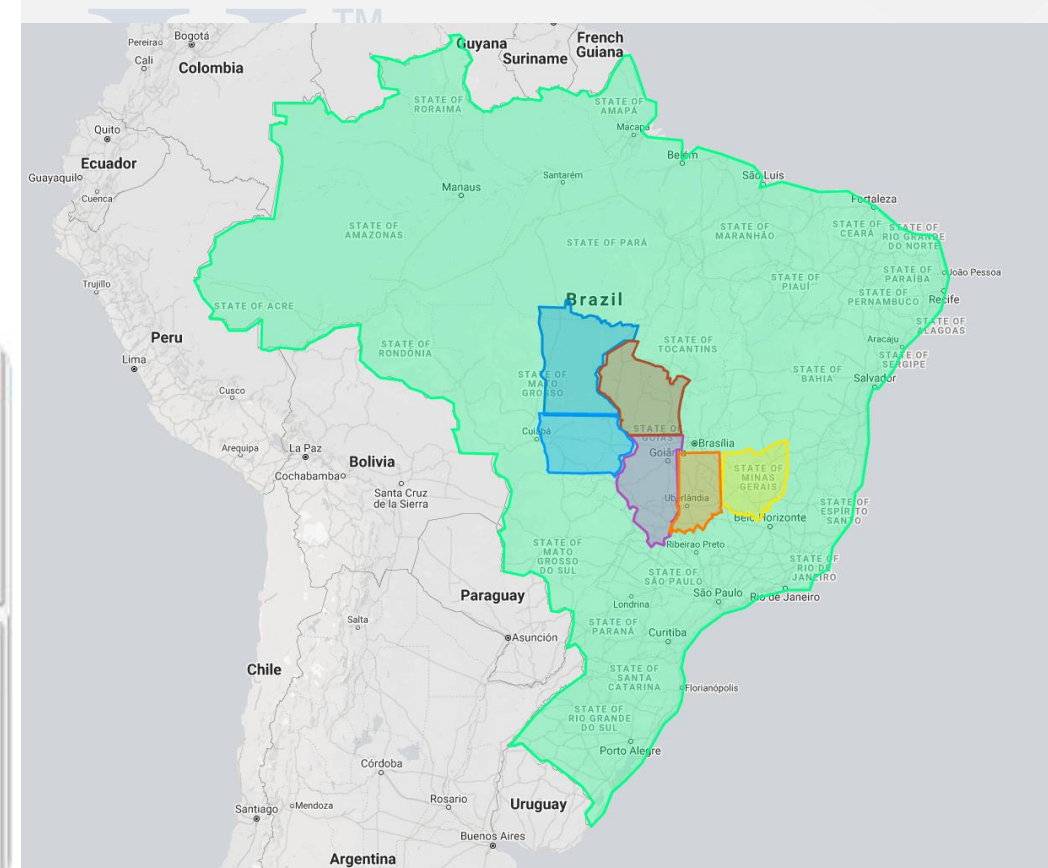
BAMWX @bamwxcom · Jan 4
🌱 as @Met_khinz / @GriffMet have been noting in our SA updates, soil moisture has been lacking across parts of the main growing regions

Last year's growing conditions were certainly less than ideal, and this year has not been any better with stronger #LaNiña conditions present



WHEEL OF FORTUNE

World Weather

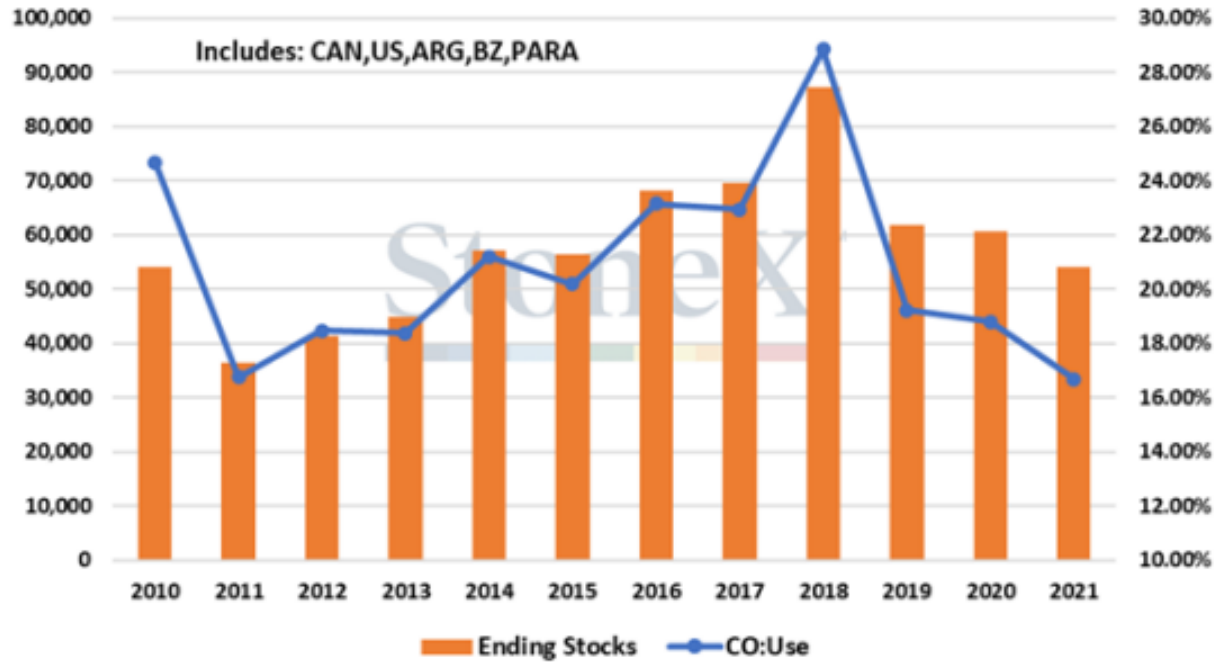


Source: truesize.com

Bean Exports

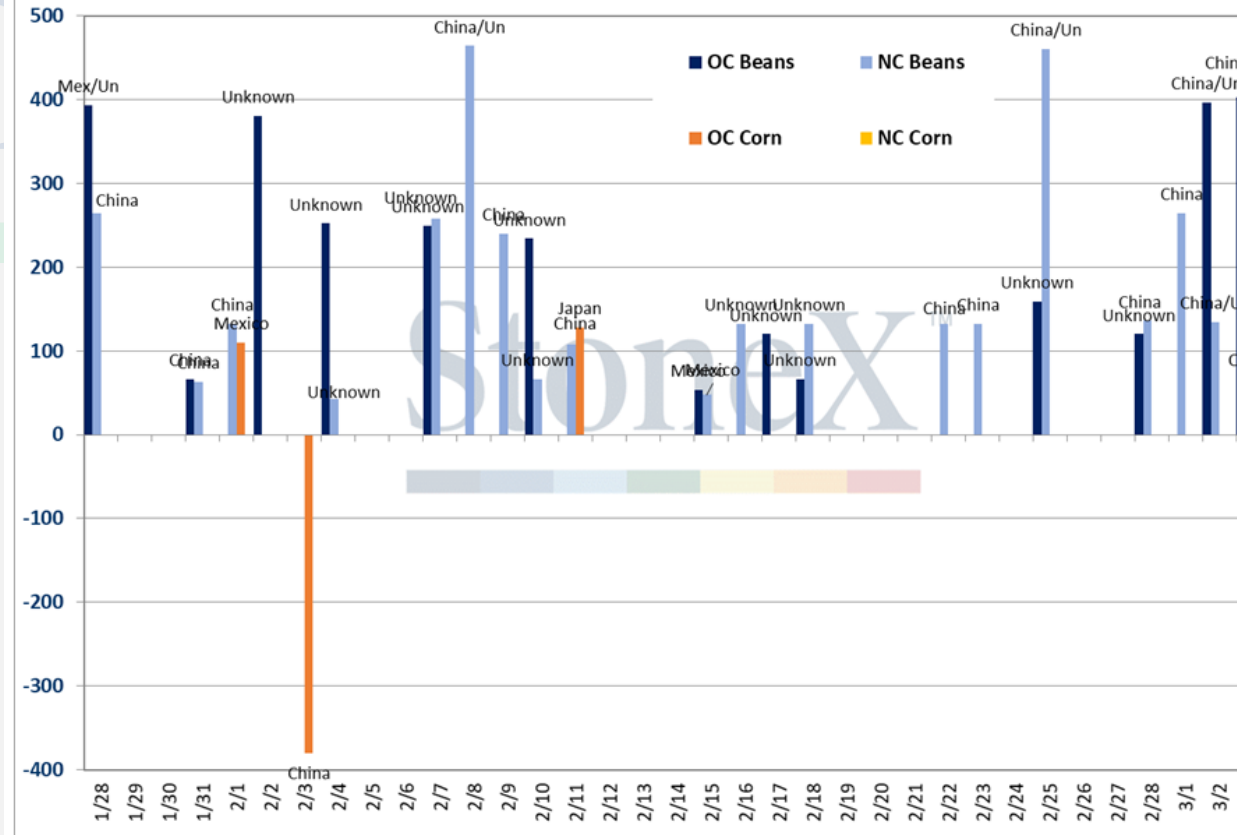


Western Hemisphere Soybean Carryout and CO:Use Ratio
Source: USDA

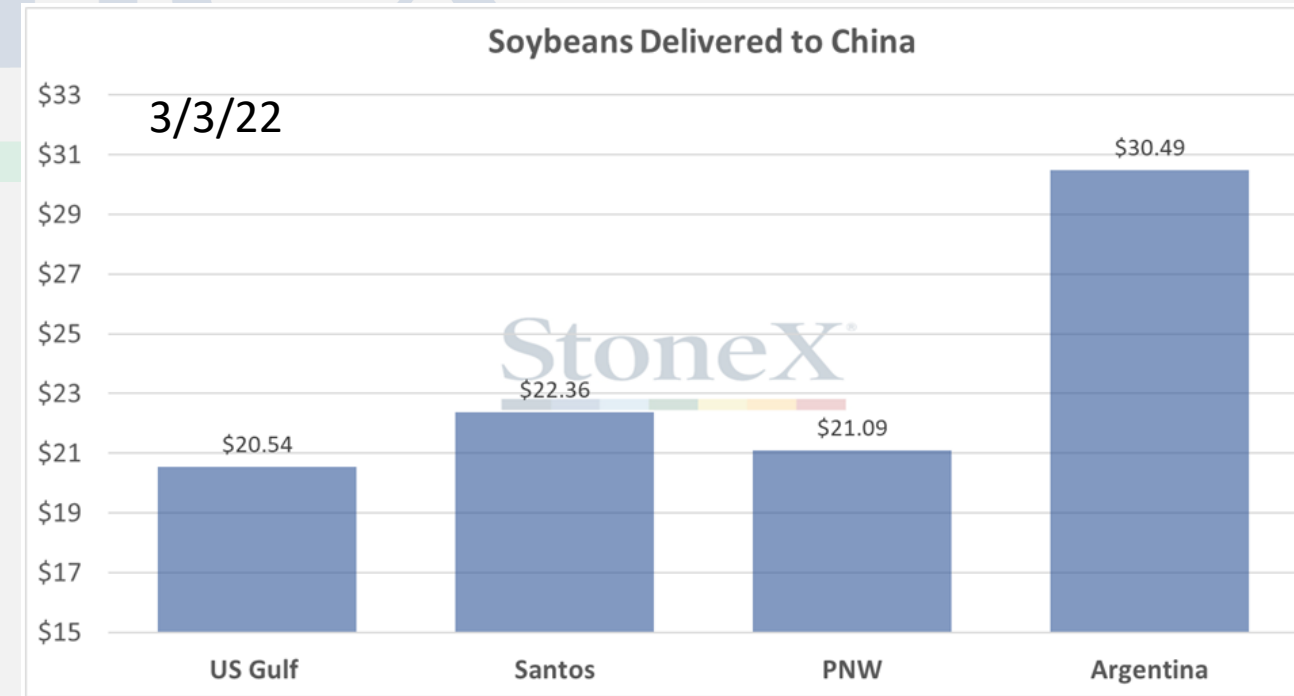
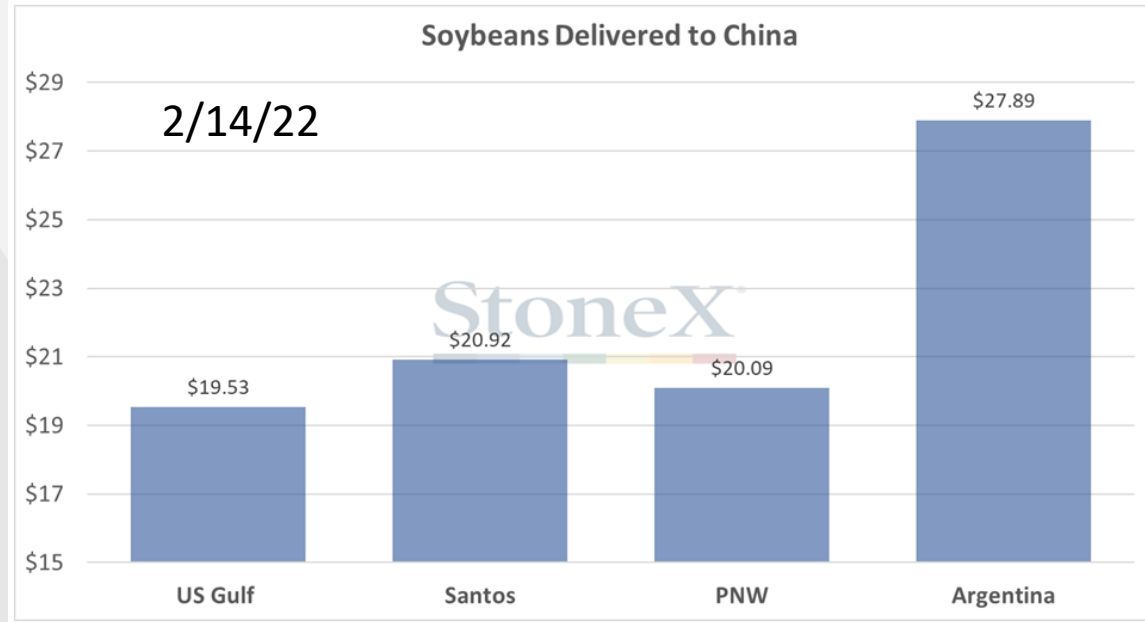


Daily Flash Sales - Corn and Soybeans (000 tonnes)

Source: USDA



Bean Exports



Source: Bloomberg

Bean Exports

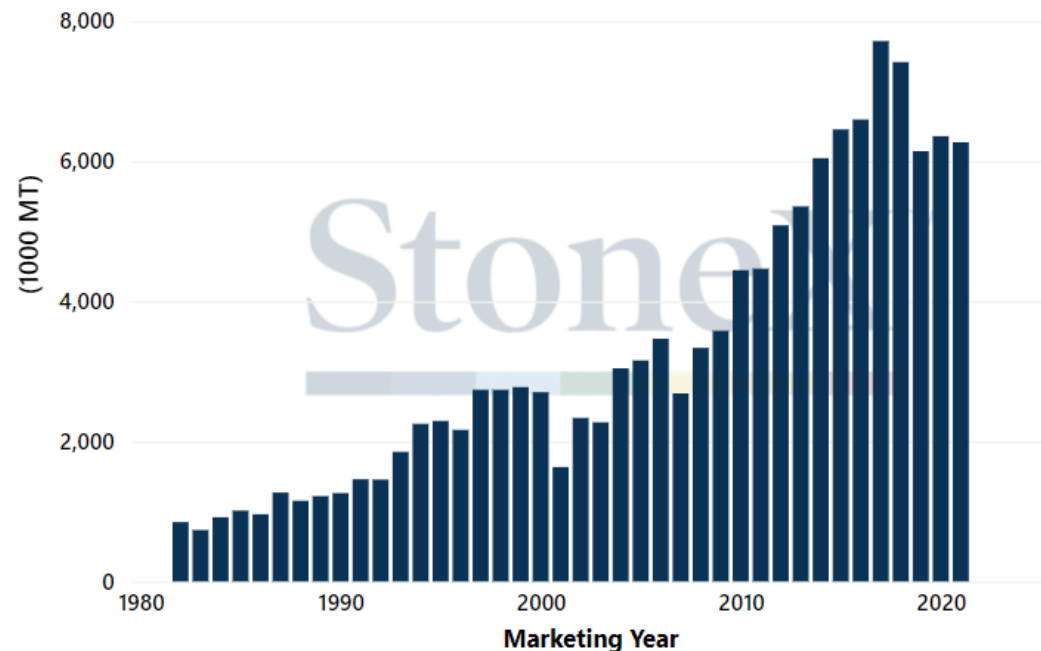
Source: USDA

Container shortages hurting Canadian crop exports

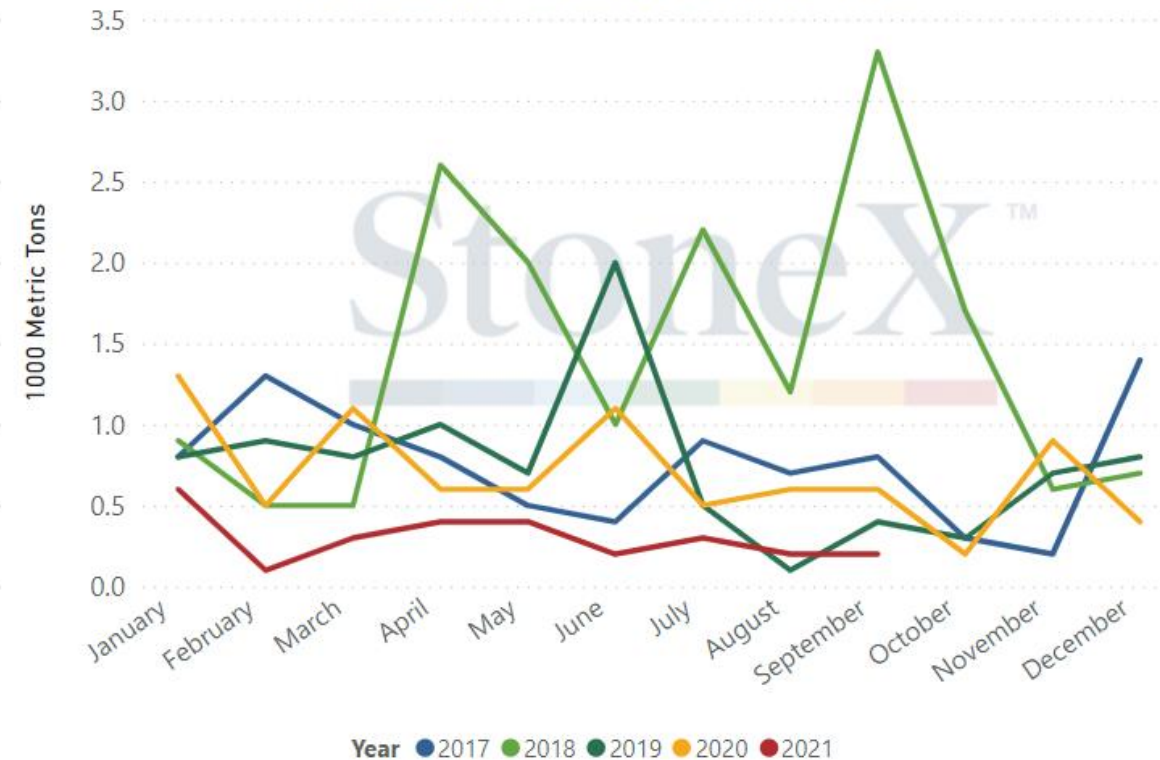
Last fall at one point 92% of shipping containers were leaving Canada empty.



Canada Oilseed, Soybean Production



CANADIAN BEANS EXPORTS



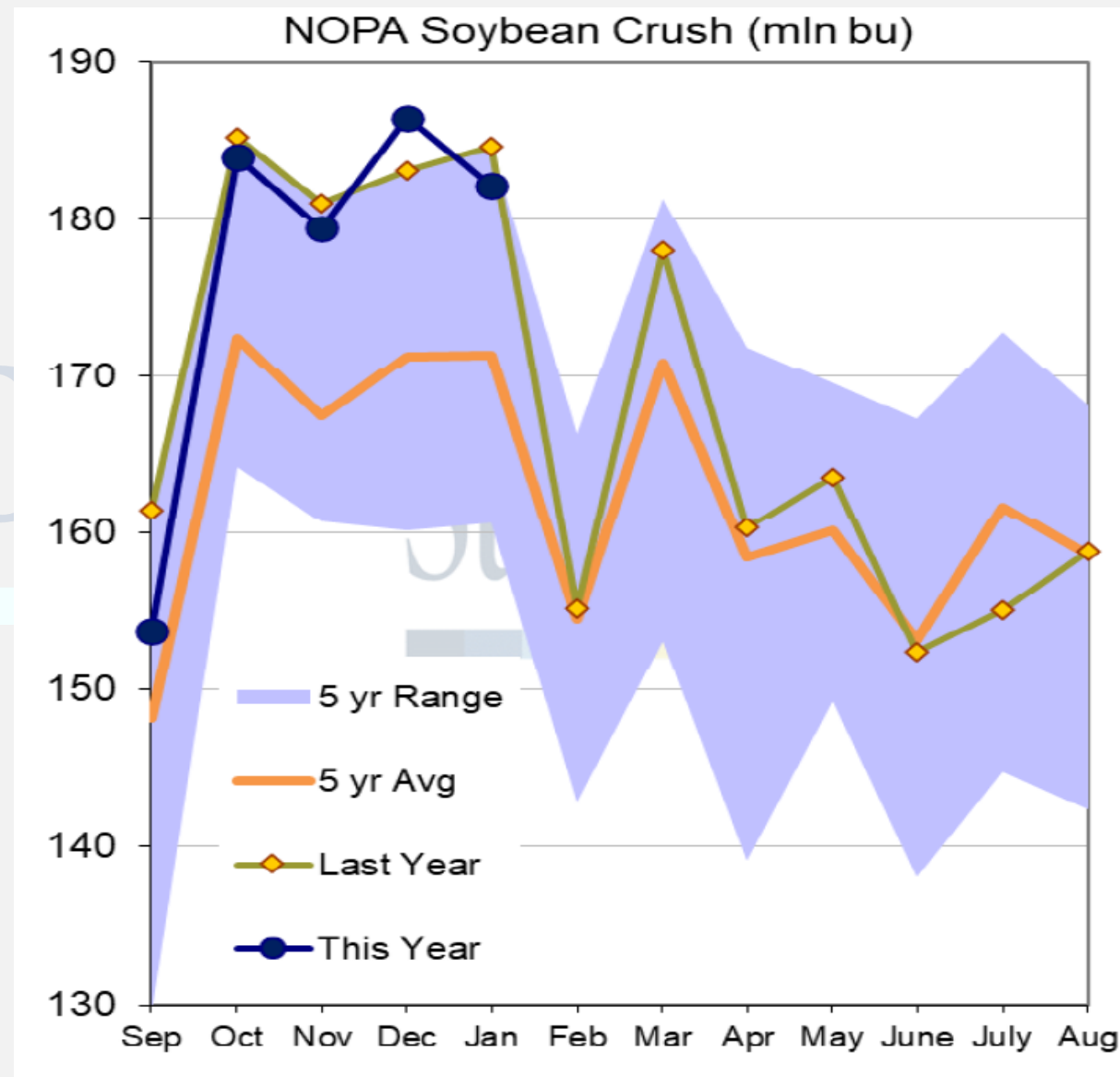
Bean Crush

January crush behind last month and last year.

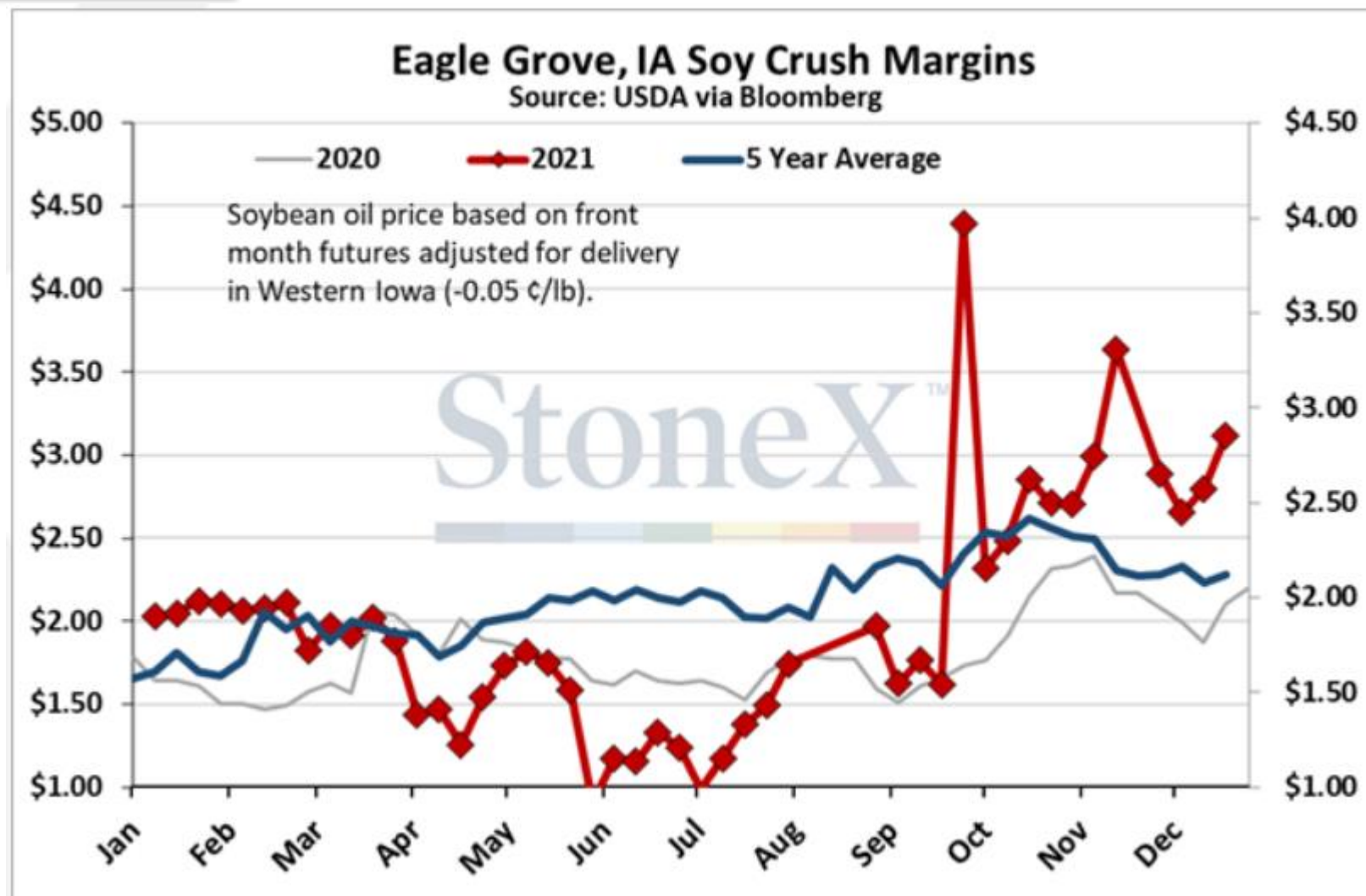
So far 2021 crush is running 10 mbu behind last year.

USDA calling for a 60+ mbu increase versus last year.

Source: NOPA



Bean Crush



Source: USDA via Bloomberg

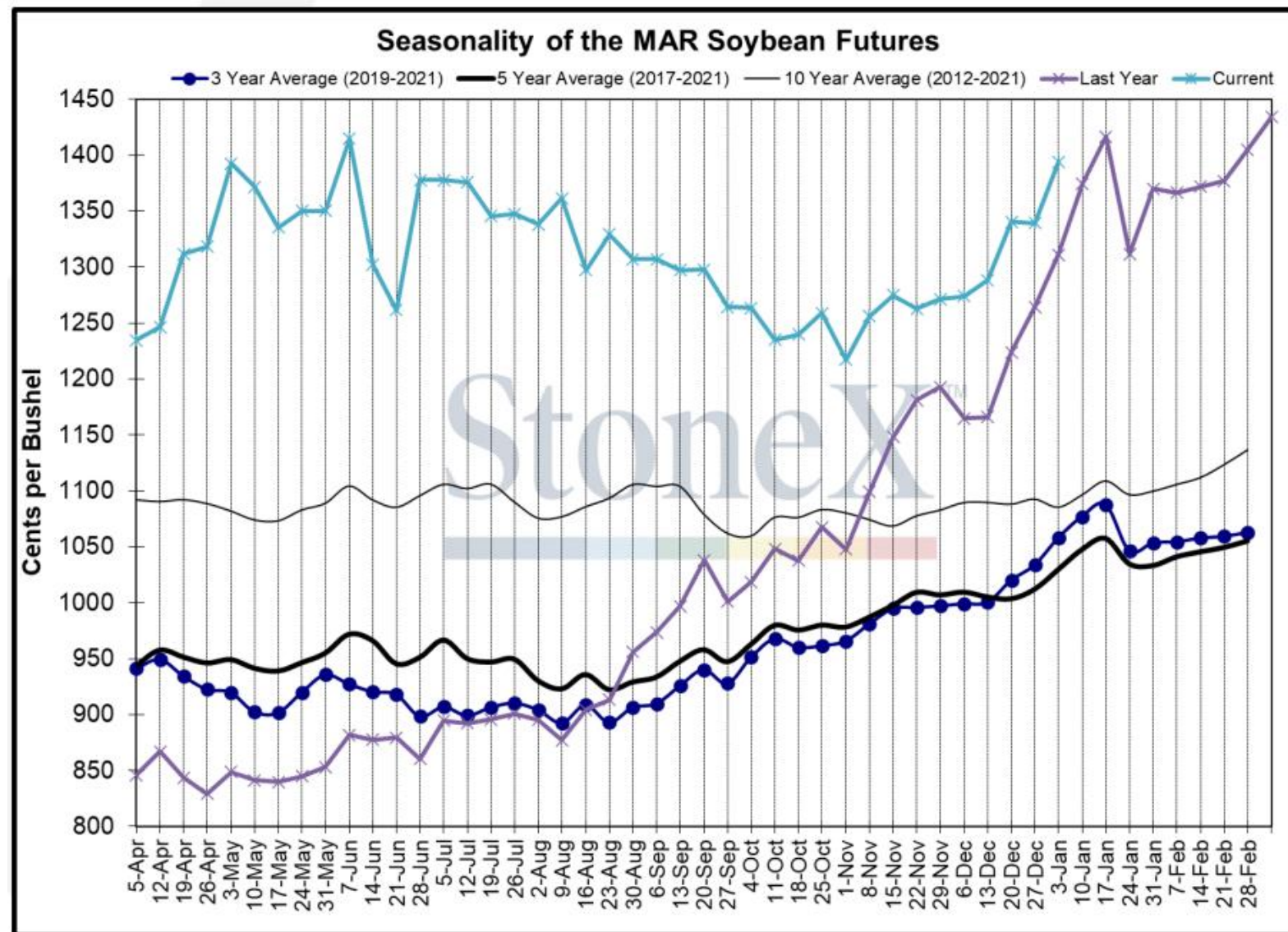
Old Crop Beans

Sto

	JAN USDA 21/22	FEB USDA 21/22	ALT 21/22
Planted	87.2	87.2	87.2
Harvested	86.3	86.3	86.3
Yield	51.4	51.4	51.4
Carry-in	257	257	257
Imports	15	15	15
<u>Production</u>	<u>4435</u>	<u>4435</u>	<u>4436</u>
Total Supply	4707	4707	4708
Crush	2190	2215	2215
Exports	2050	2050	2150
Seed	102	102	102
<u>Residual</u>	<u>16</u>	<u>16</u>	<u>16</u>
Total Use	4357	4357	4483
Carryout	350	325	225
Carryout/Use	8.0%	7.5%	5.0%

Source: USDA + Speaker Estimates

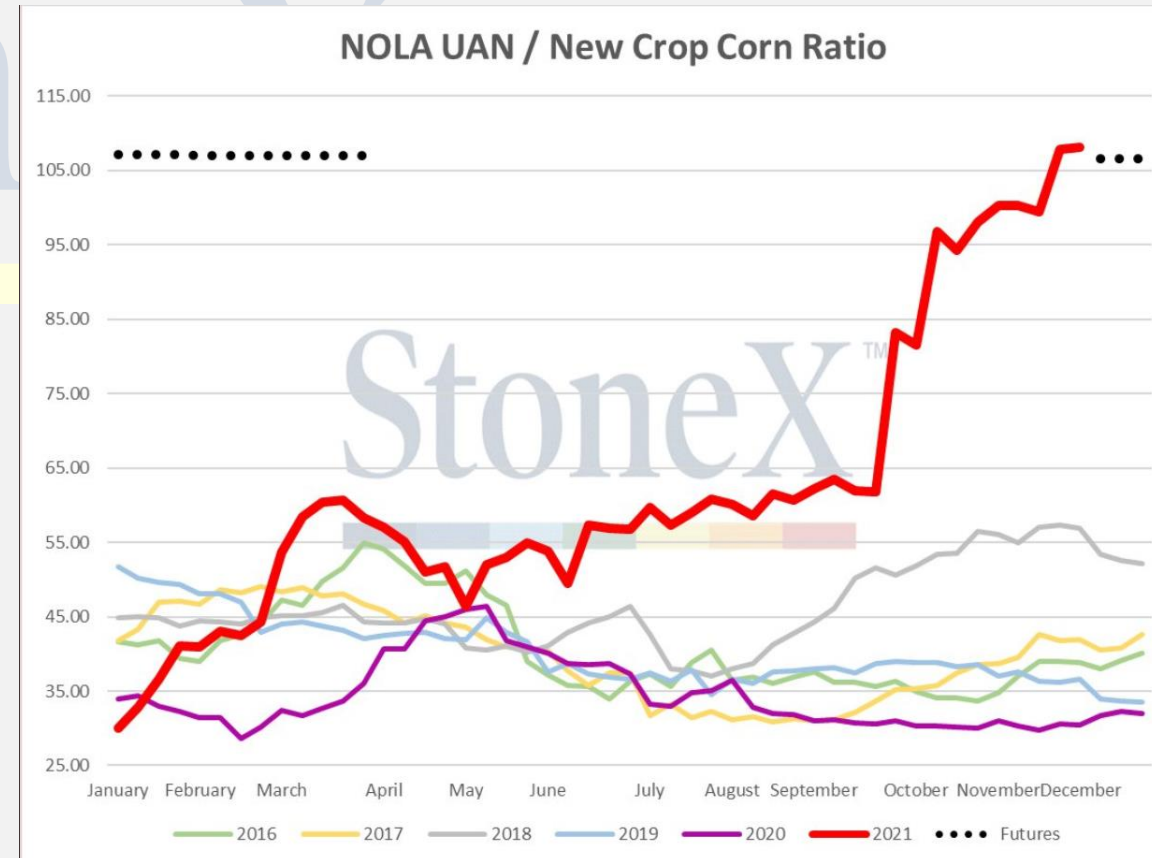
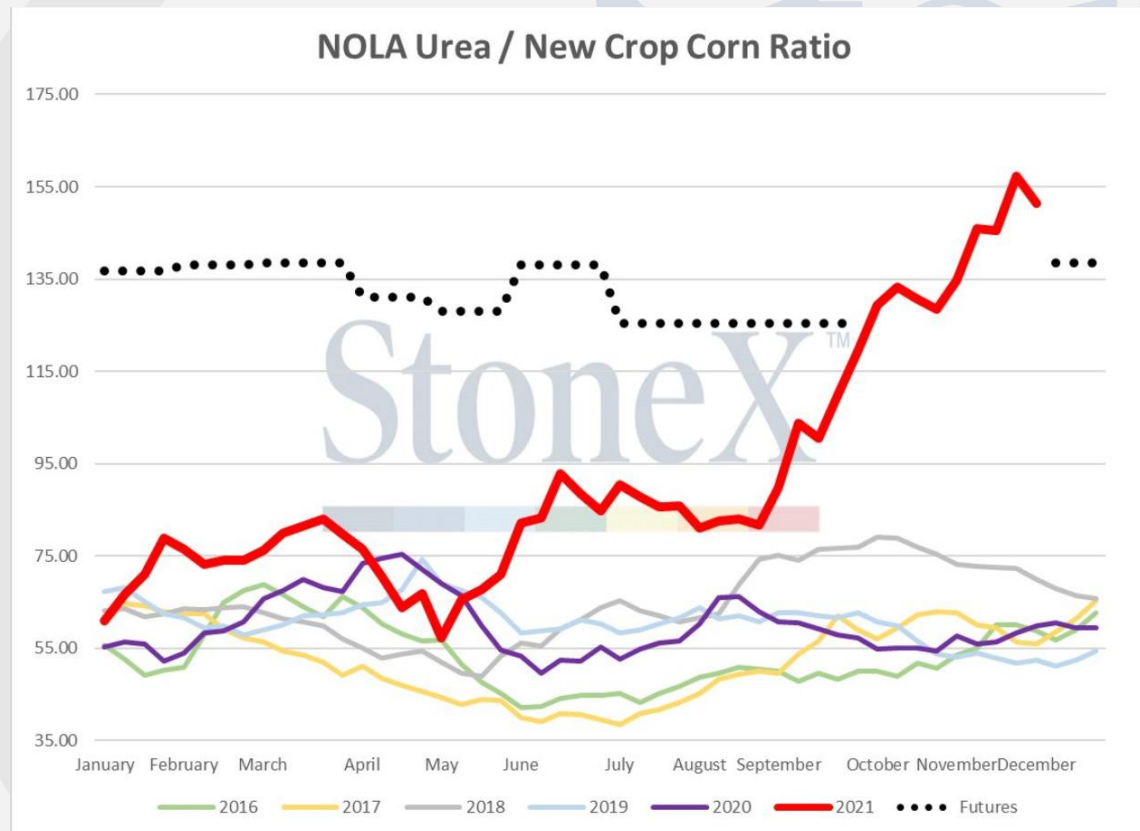
Old Crop Bean Prices



Source: Bloomberg

New Crop Beans

Fertilizer Costs in relation to 2022 Corn Prices – Record High

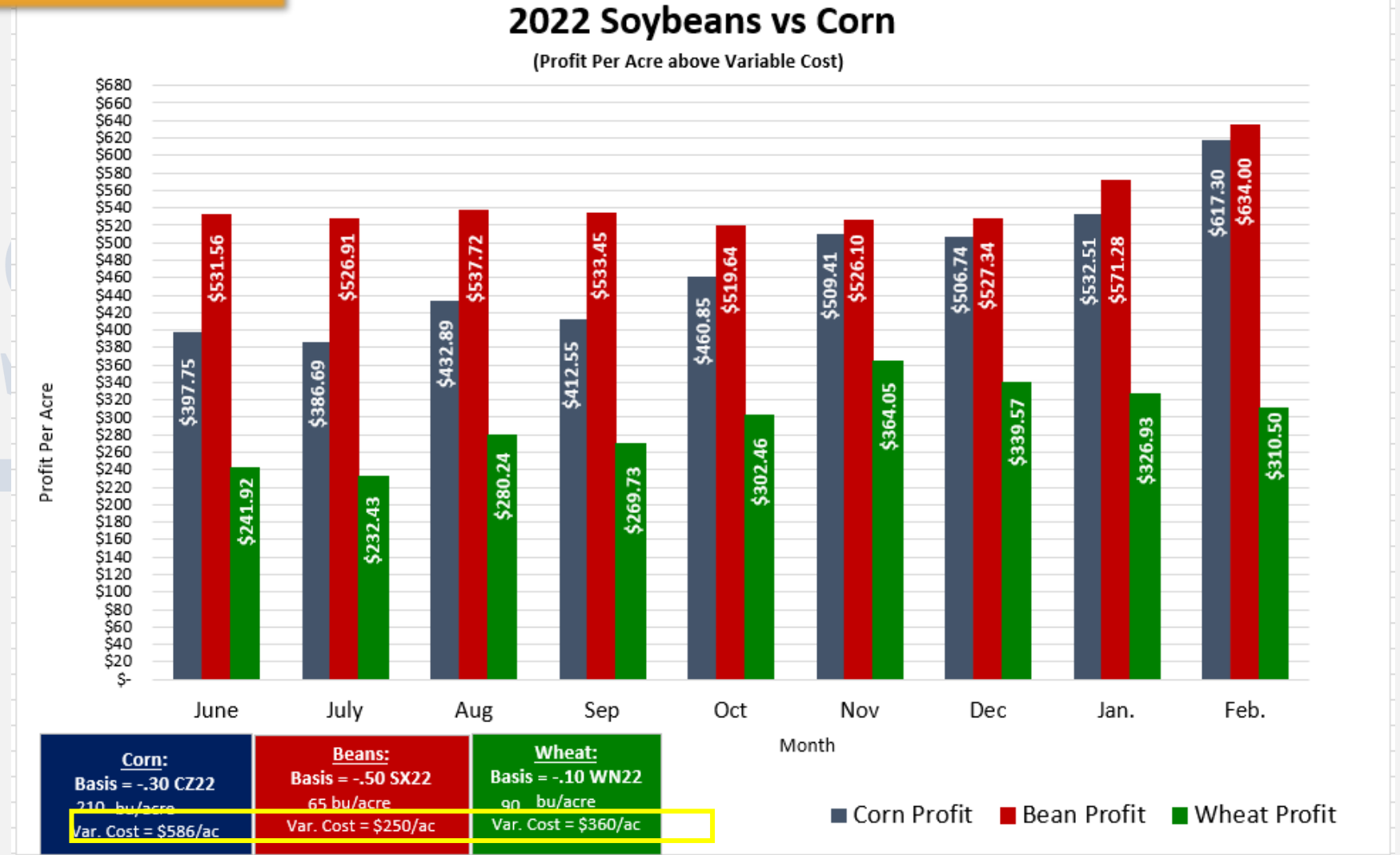


New Crop Beans

#1 -- What do we plant in 2022?

The market is telling famers in Ohio to plant soybeans.

Note all three commodities are still profitable*



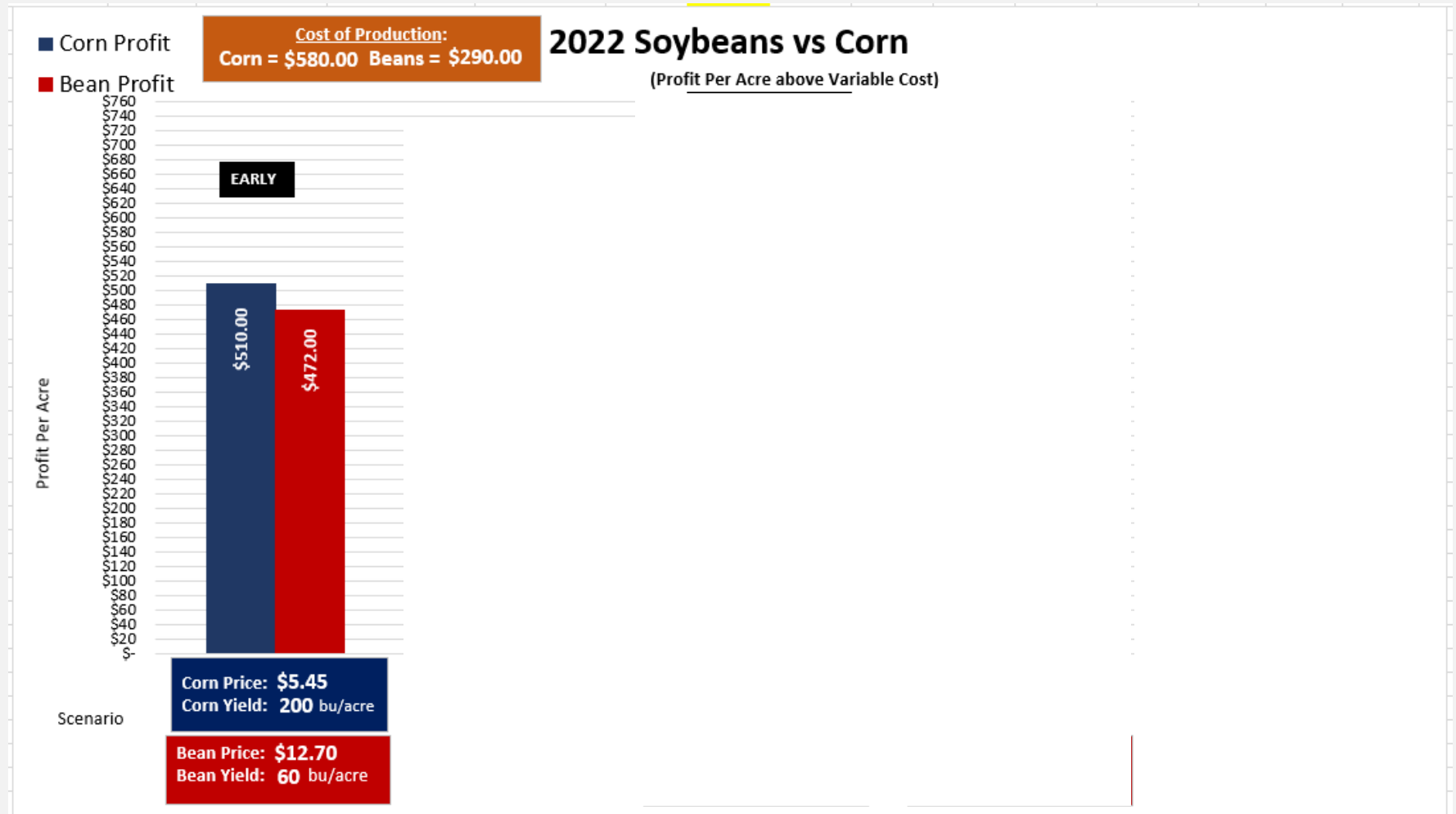
Source: QST + Speaker Estimates

*Would need to take out land costs and other fixed costs to find total breakeven.

New Crop Beans

What does the farmer think will happen in 2022?

#1 -- What do we plant in 2022?



Source: QST + Speaker Estimates

*Would need to take out land costs and other fixed costs to find total breakeven.

New Crop Beans

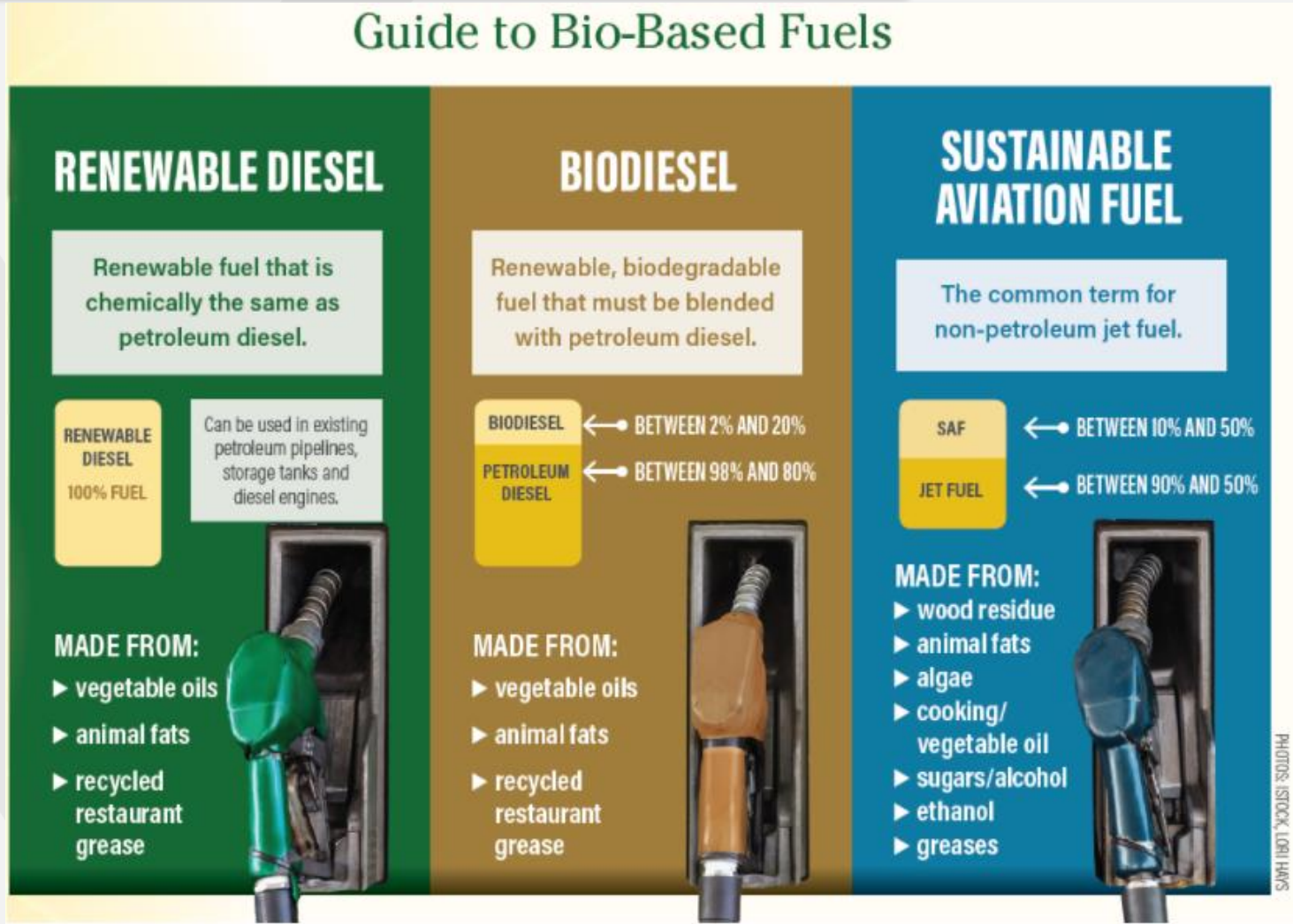
2022 Acres are Important

	FEB USDA 21/22	ALT 22/23	ALT 22/23	ALT 22/23
Planted	87.2	87.2	89.0	92.0
Harvested	86.3	86.4	88.2	91.2
Yield	51.4	51.0	50.5	50.0
Carry-in	257	350	350	350
Imports	15	15	15	15
<u>Production</u>	<u>4435</u>	<u>4407</u>	<u>4454</u>	<u>4559</u>
Total Supply	4707	4772	4819	4924
Crush	2215	2215	2215	2250
Exports	2050	2150	2150	2250
Seed	102	104	104	104
<u>Residual</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>15</u>
Total Use	4357	4484	4484	4619
Carryout	350	288	335	305
Carryout/Use	8.0%	6.4%	7.5%	6.6%

Source: USDA + Speaker Estimates



Future Bean Demand

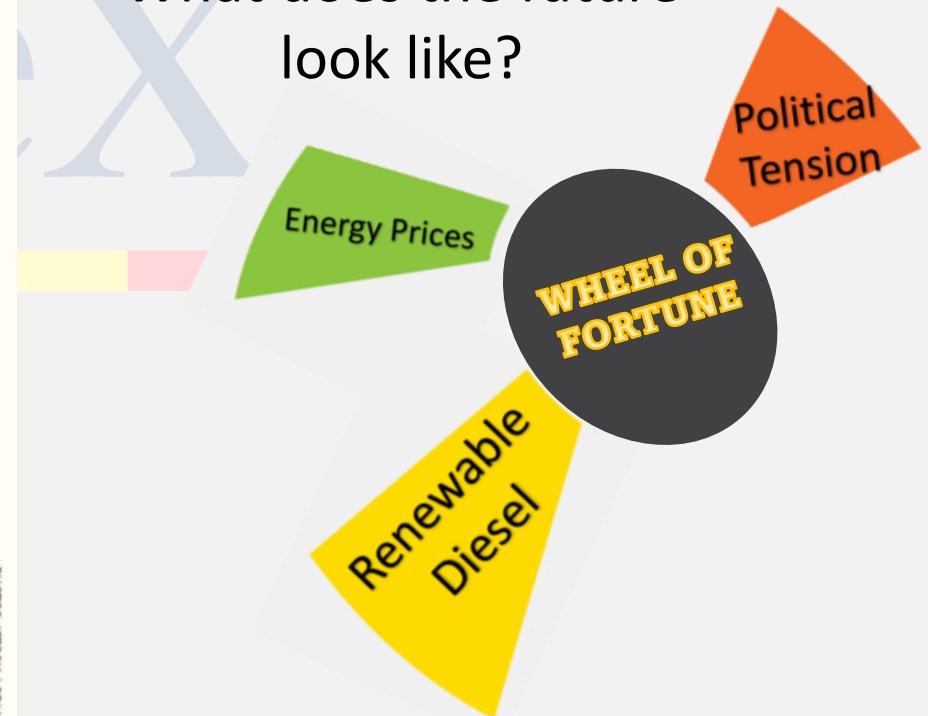


Source: agweb.com

Two words.

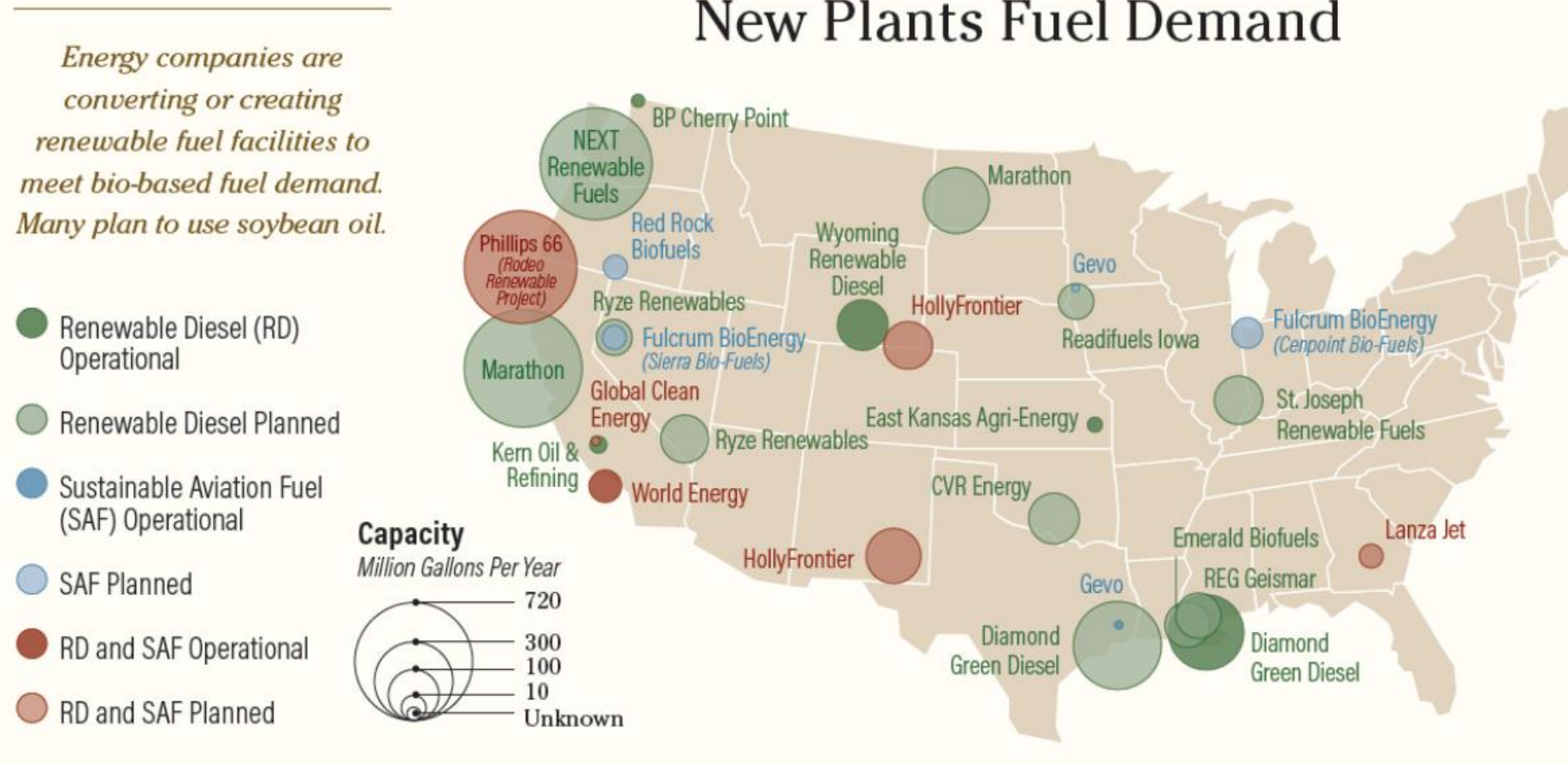
Renewable Diesel

What does the future look like?



Future Bean Demand

Where is the demand without a government mandate?



Energy companies investing with ag companies include:

- Chevron partnering with Bunge to expand facilities in Destrehan, La., and Cario, Ill.
- Love's entering a joint venture with Cargill to build a plant in Hastings, Neb.
- Marathon partnering with ADM to build a soybean plant in Spiritwood, N.D.

Future Bean Demand

Two Questions:

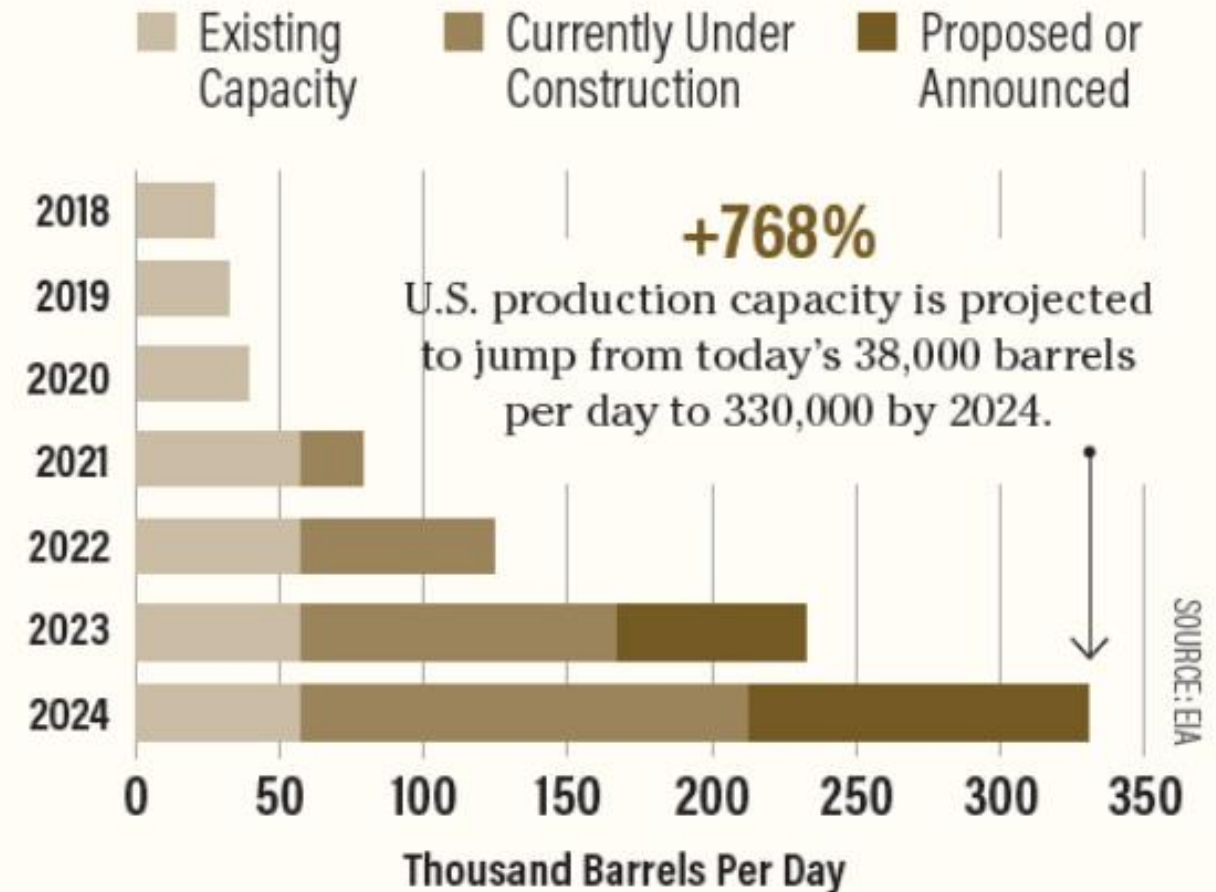
How much demand?

When?

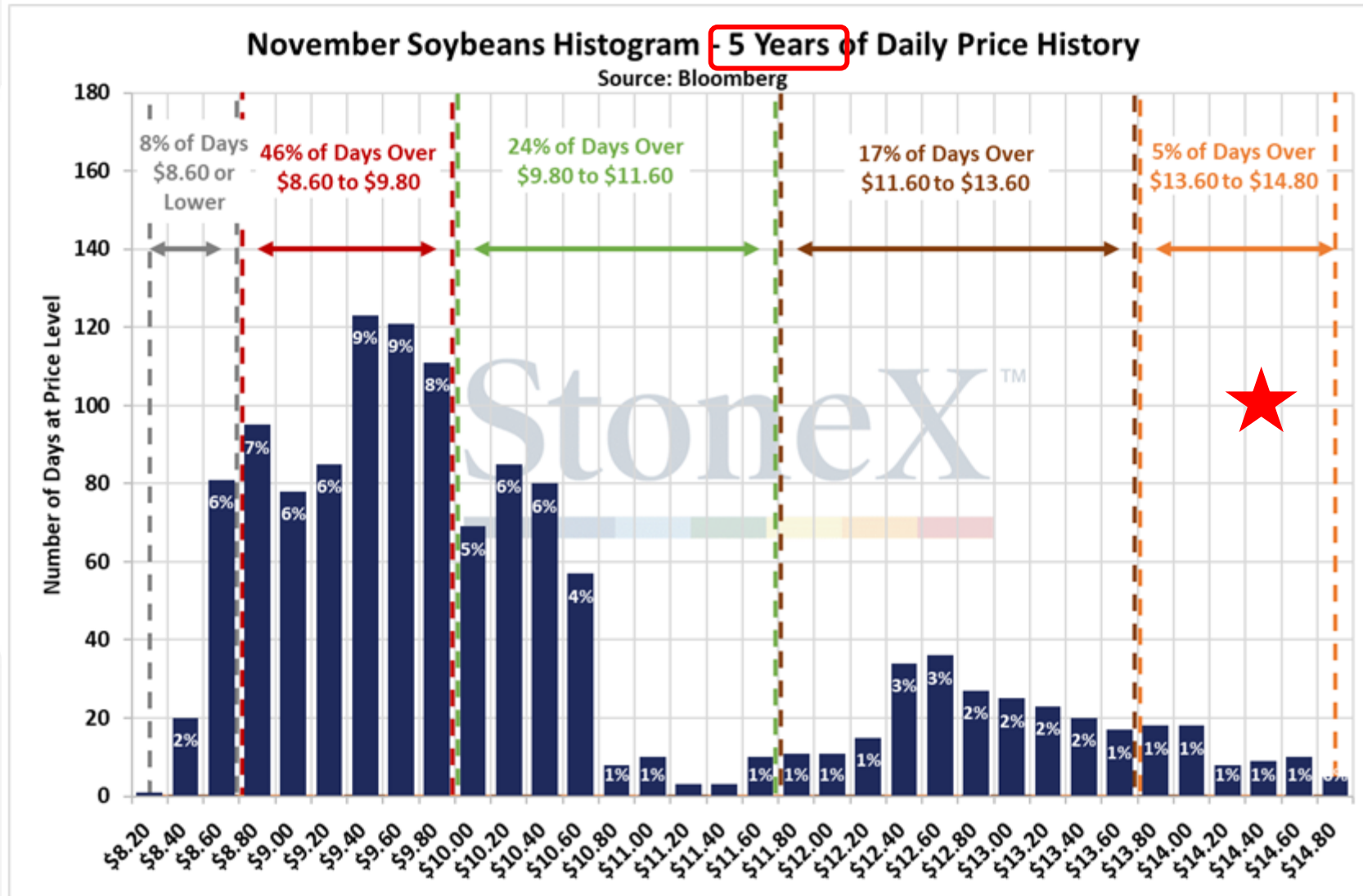
Less than half of projected U.S. renewable diesel output likely by 2025- study

Source: agweb.com

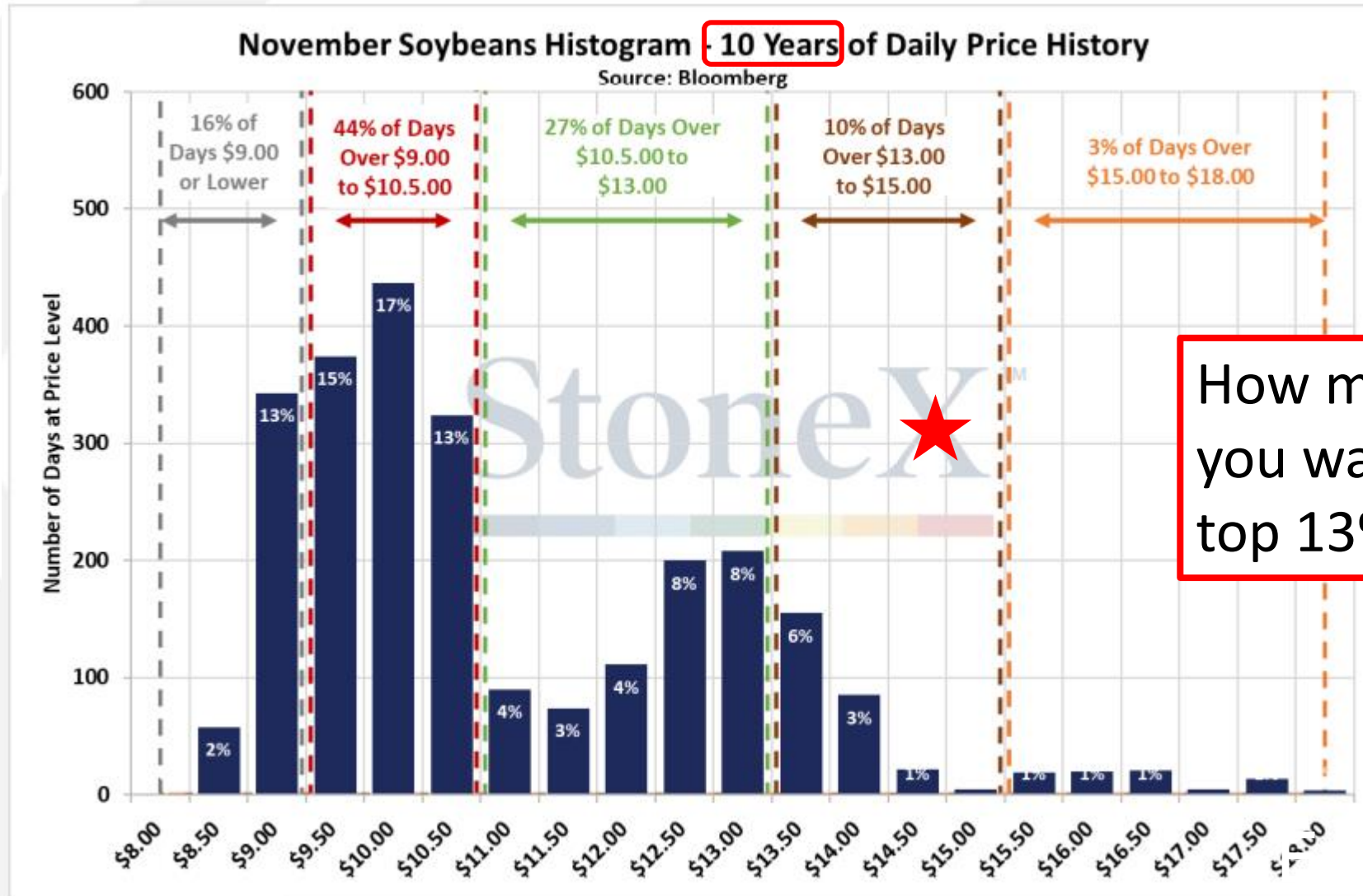
Renewable Diesel Capacity Skyrockets



Bean Prices



Bean Prices



How many beans do you want to sell in the top 13% of history?

Bean Prices

Ukraine is the #2 world exporter of sunflower oil.

Will Russia do something to 'hurt' their newest public ally – China?

RUSSIA AND CHINA UNVEIL A PACT AGAINST AMERICA AND THE WEST

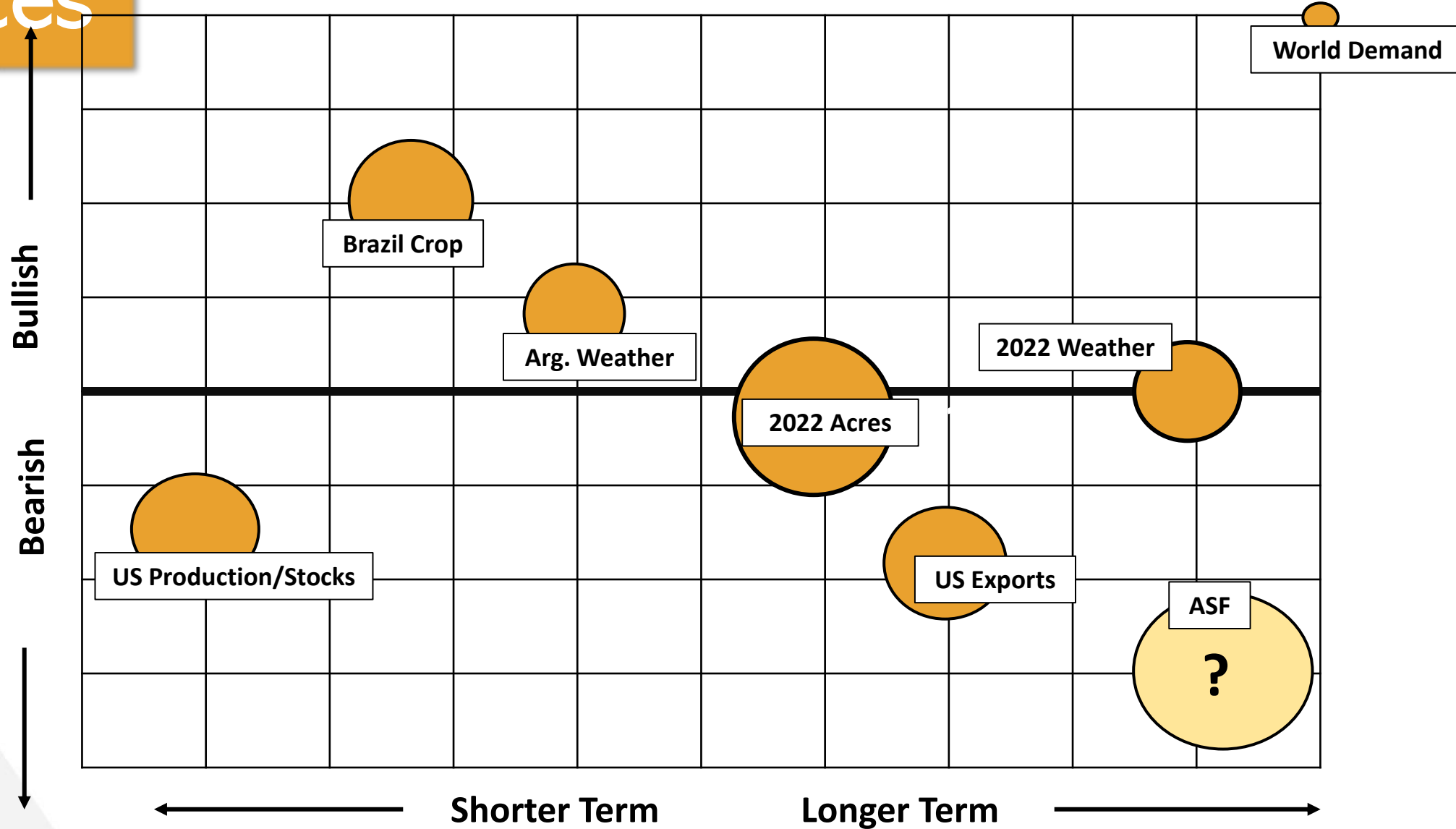
In a sweeping long-term agreement, Vladimir Putin and Xi Jinping, the two most powerful autocrats, challenge the current political and military order.

Ukraine Oilseed, Soybean Production



Source: USDA

Bean Prices



Source: Speaker Estimates

USDA February Report Review

2021 Crop

Source: USDA

	JAN USDA 21/22	FEB USDA 21/22
Planted	93.4	93.4
Harvested	85.4	85.4
Yield	177.0	177.0
Carry-in	1235	1235
Production	15115	15115
<u>Imports</u>	<u>25</u>	<u>25</u>
Total Supply	16375	16375
Feed	5650	5650
Exports	2425	2425
Ethanol	5325	5325
<u>Other Ind</u>	<u>1435</u>	<u>1435</u>
Total Use	14835	14835
Carryout	1540	1540
Carryout/Use	10.38%	10.38%

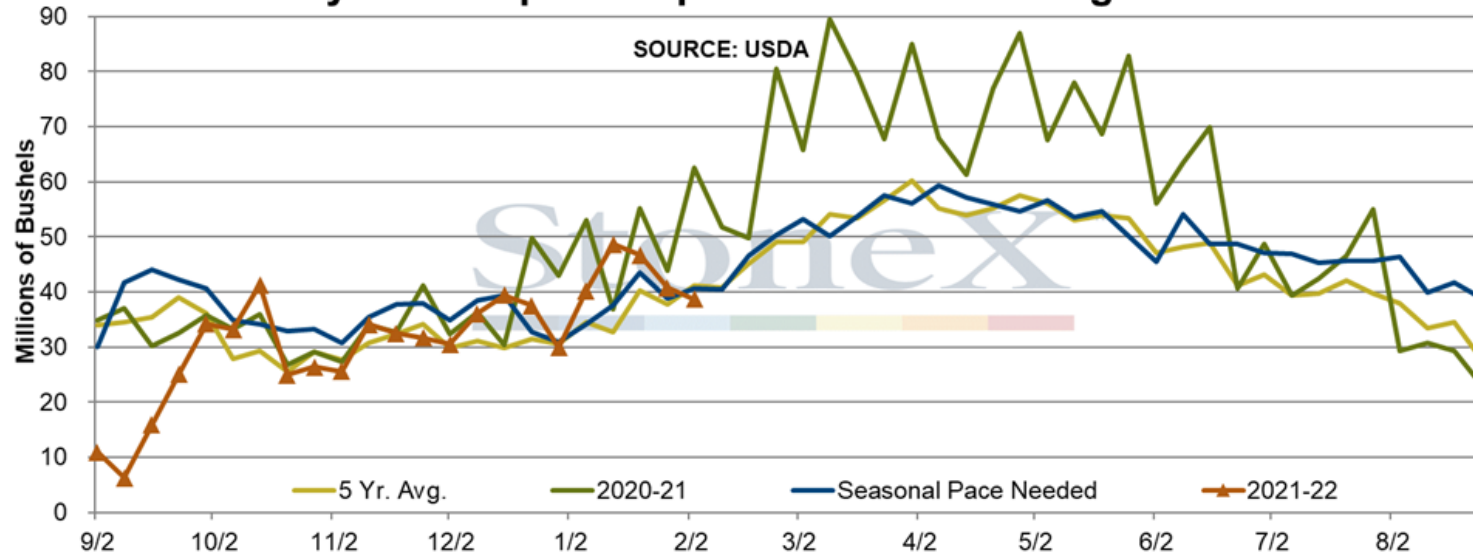
Corn Exports

Corn Shipments behind pace



Weekly Corn Export Shipments Need a Strong 2nd Half

SOURCE: USDA



WHEEL OF FORTUNE

World Weather

All Data in Million Bushels

Source: USDA

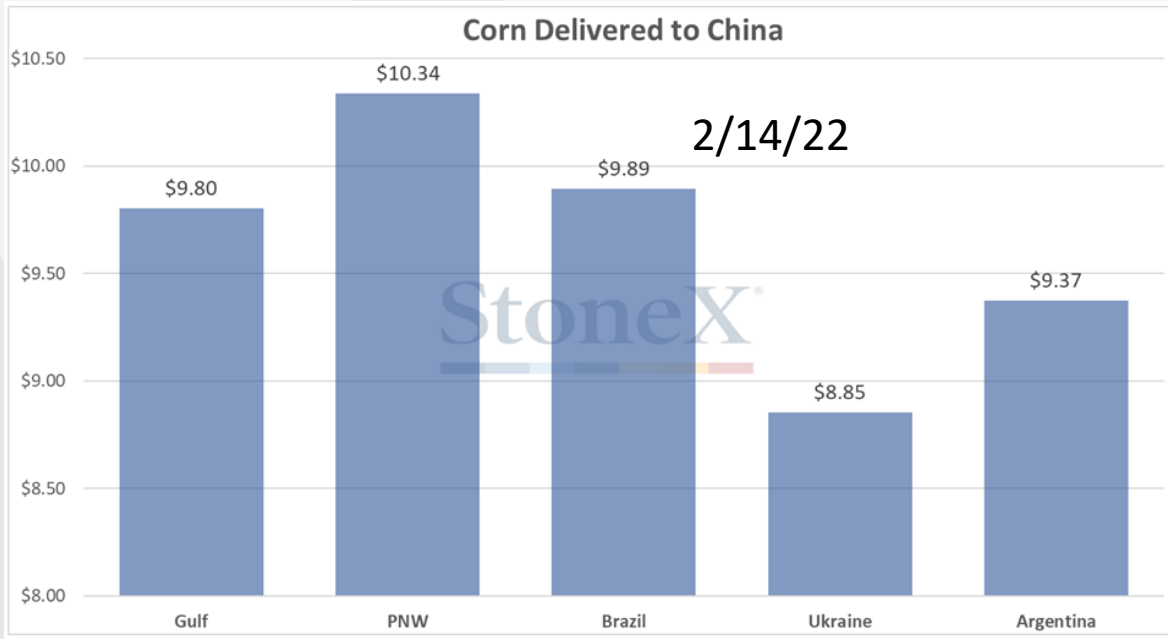
	Weekly U.S. Inspections				Marketing Year to Date Cumulative Totals				
	Current 2/10/2022	Last Week 2/3/2022	Change	Last Year 2/11/2021	Current 2/10/2022	% of USDA Export Est.	Last Week 2/3/2022	% of USDA Export Est.	Last Year 2/11/2021
Mexico	13.6	10.4	3.2	8.4	282.1		268.5		224.3
China	16.3	8.2	8.1	2.7	159.6		143.3		253.7
Japan	11.5	11.8	-0.4	9.3	146.1		134.6		138.1
Colombia	2.5	5.9	-3.4	3.2	74.4		71.9		72.6
El Salvador	4.4	0.0	4.4	0.9	27.3		23.0		16.6
U.S. Inspections	57.3	41.9	15.4	51.8	789.9	33%	732.6	30%	902.3
Seasonal Pace Needed to Meet USDA's Export Estimate of 2425 Mil Bu:					852.6	35%	809.0	33%	
Above/Below Pace Needed by: (28 Weeks Left)					-62.8	-3%	-76.3	-3%	

Source: USDA

Corn Exports

WHEEL OF FORTUNE

World Weather

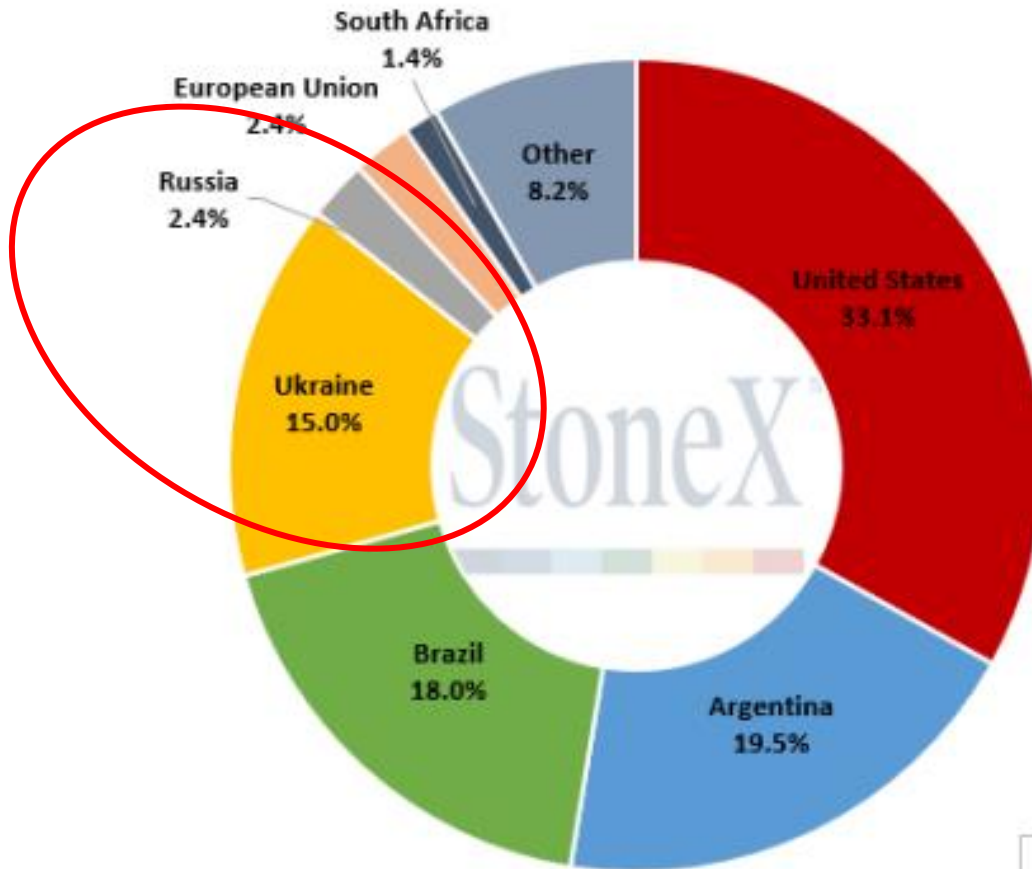


Source: Bloomberg



Corn Exports

Avg Share of World Corn Exports - Last 5 Years



Source: USDA FAS

WHEEL OF FORTUNE

Political Tension

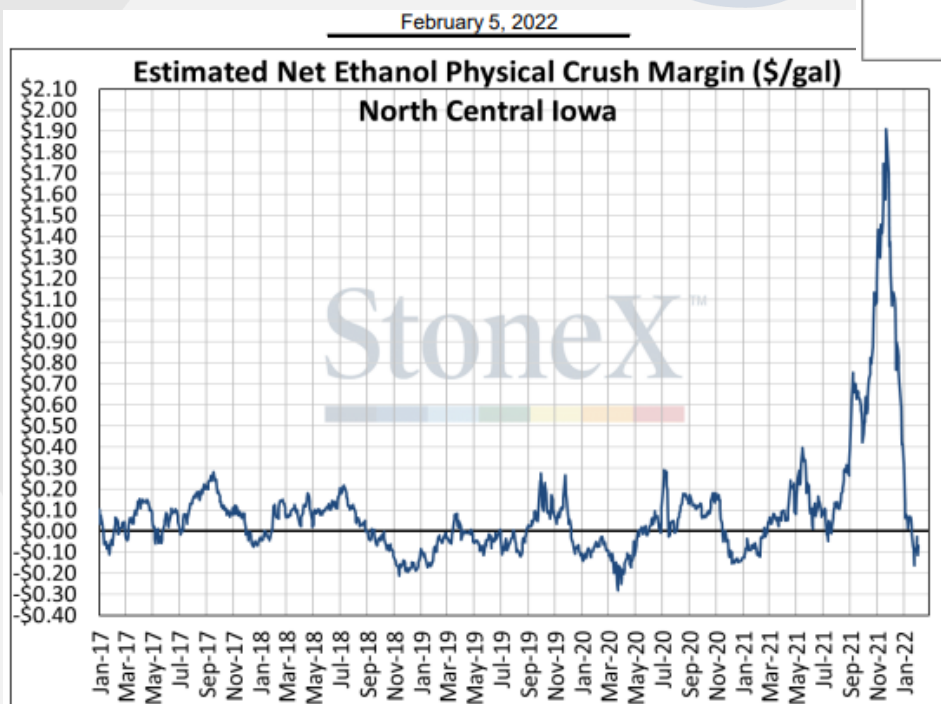
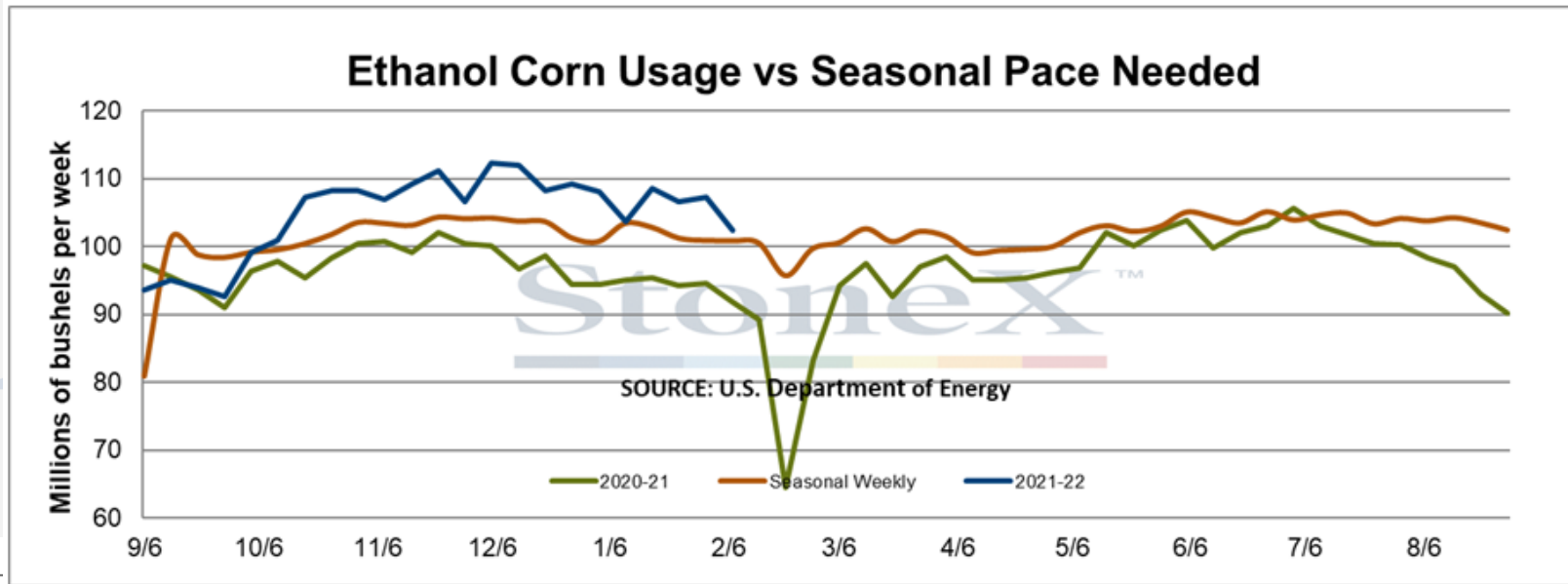
World Weather

Corn Ethanol

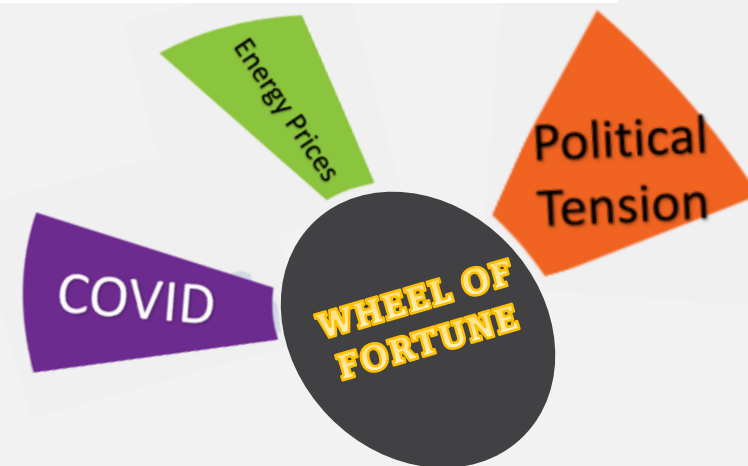
Will there be COVID restrictions that limit fuel/ethanol demand?

Will there be political or policy changes to ethanol policy?

What will ethanol demand look like in 2022?



EXCLUSIVE-Biden weighing cuts to 2022 ethanol blending mandate proposal- sources - Reuters News



Source: QST

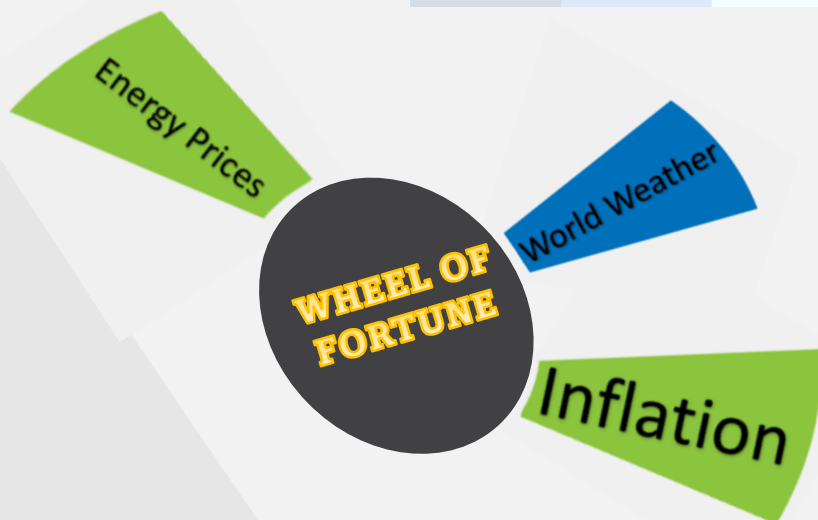
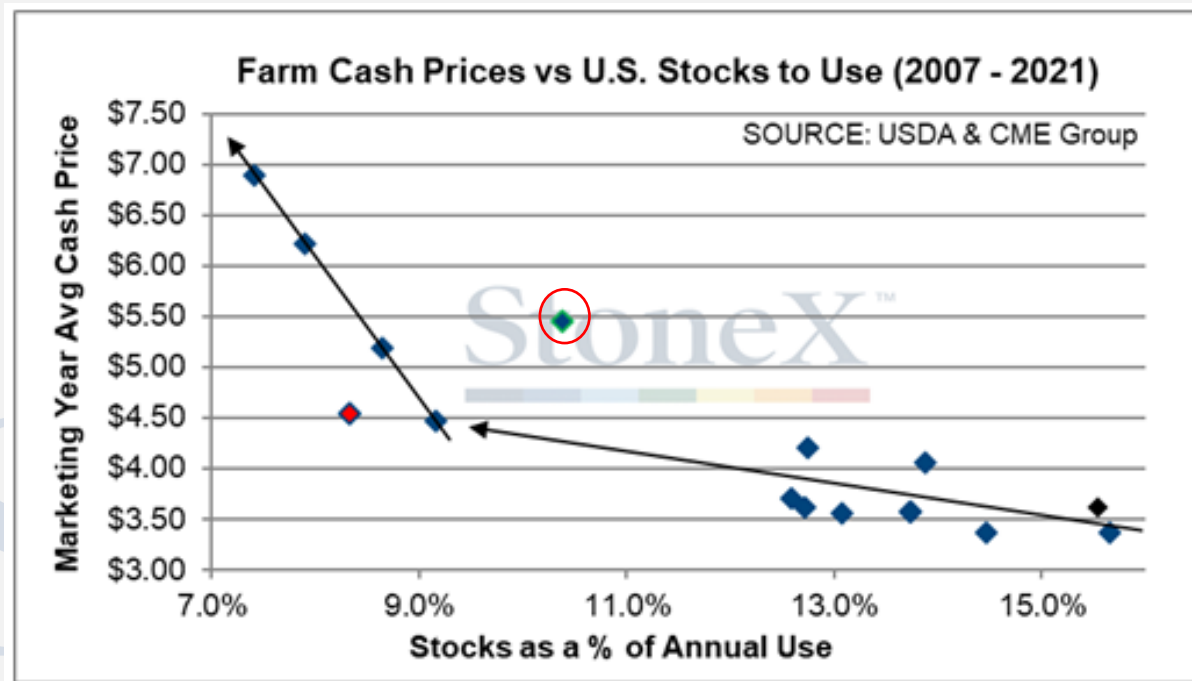
2021 Corn

	JAN USDA 21/22	FEB USDA 21/22	ALT 21/22
Planted	93.4	93.4	93.4
Harvested	85.4	85.4	85.4
Yield	177.0	177.0	177.0
Carry-in	1235	1235	1235
Production	15115	15115	15115
<u>Imports</u>	<u>25</u>	<u>25</u>	<u>25</u>
Total Supply	16375	16375	16375
Feed	5650	5650	5650
Exports	2425	2425	2550
Ethanol	5325	5325	5325
<u>Other Ind</u>	<u>1435</u>	<u>1435</u>	<u>1430</u>
Total Use	14835	14835	14955
Carryout	1540	1540	1420
Carryout/Use	10.38%	10.38%	9.50%

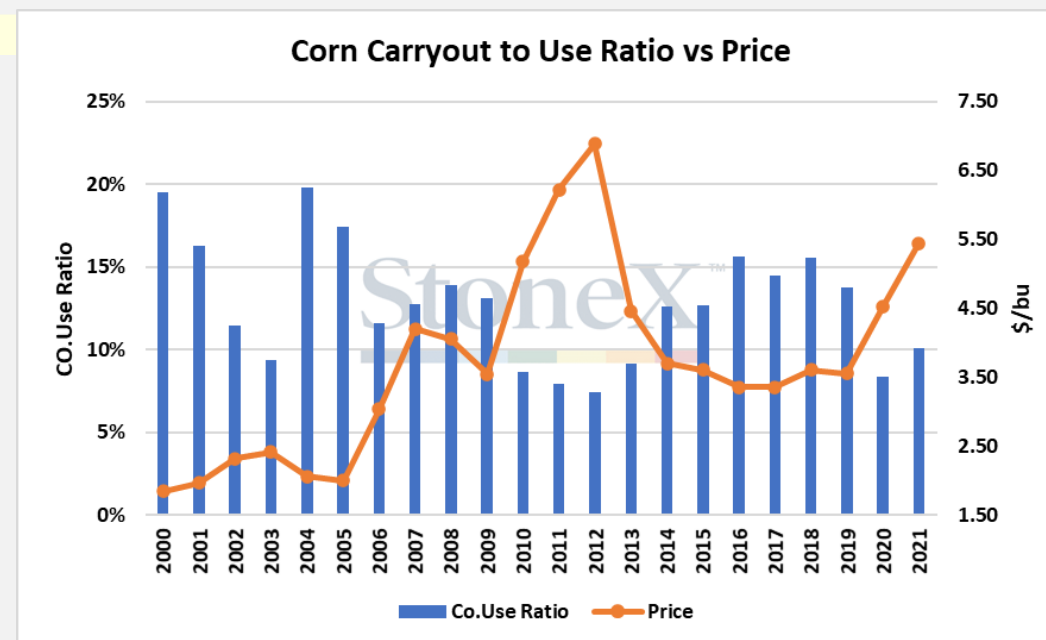
Source: USDA + Speaker Estimates

Corn Prices

2021 Crop



Source: USDA



2022 Corn

- #1 – What will corn acres be in 2022?
- #2 – What will corn demand be?
Ethanol?
Exports?
South American Crop?
- #3 - Wild Cards



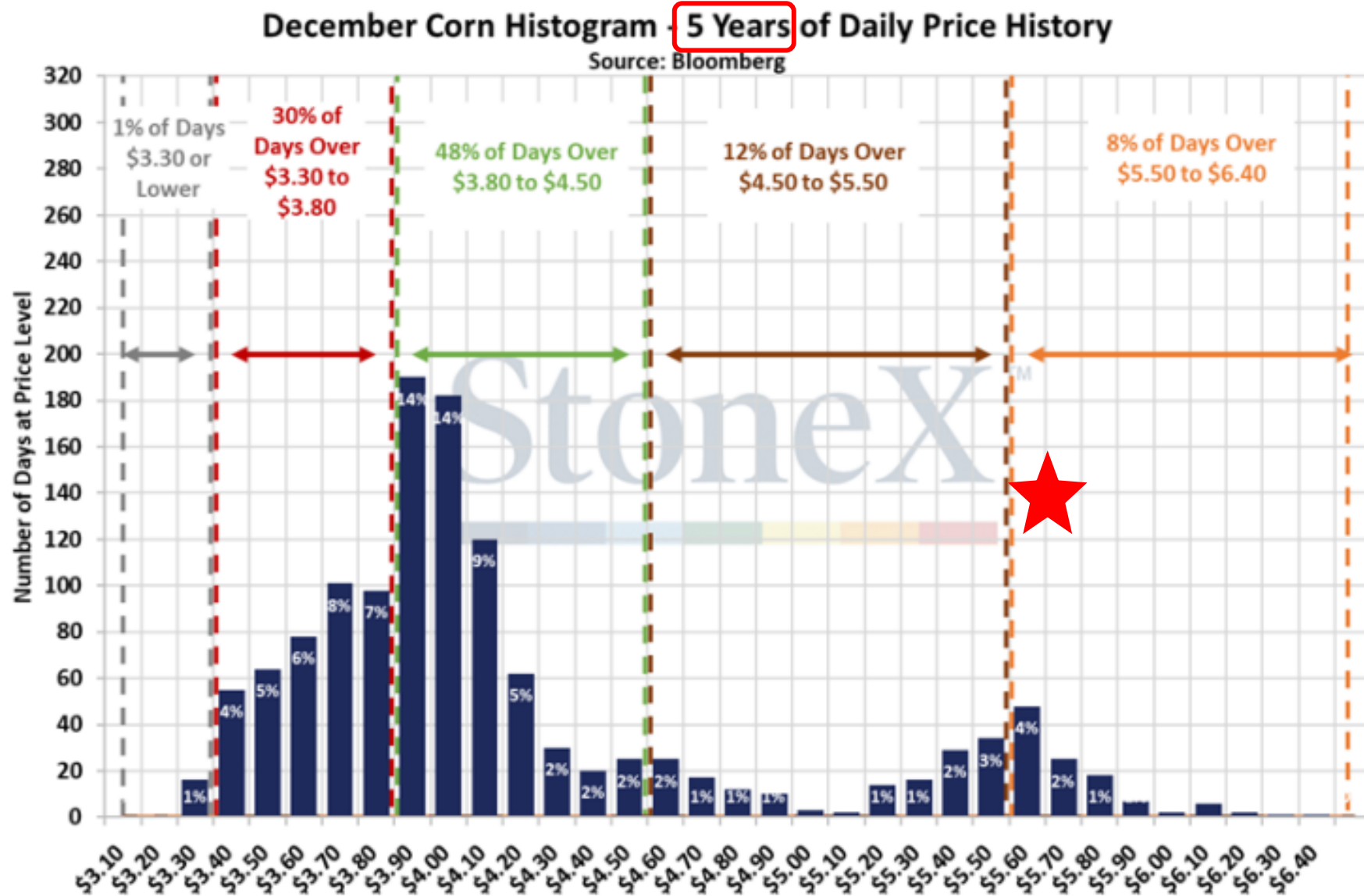
2022 Corn

2022 Acres are Important

	FEB USDA 21/22	ALT 22/23	ALT 22/23	ALT 22/23
Planted	93.4	95.0	93.4	90.0
Harvested	85.4	87.4	85.9	82.8
Yield	177.0	175.0	177.0	177.0
Carry-in	1235	1540	1540	1540
Production	15115	15295	15209	14656
Imports	25	25	25	25
Total Supply	16375	16860	16774	16221
Feed	5650	5650	5650	5650
Exports	2425	2550	2550	2550
Ethanol	5325	5325	5325	5325
Other Ind	1435	1435	1435	1435
Total Use	14835	14960	14960	14960
Carryout	1540	1900	1814	1261
Carryout/Use	10.38%	12.70%	12.13%	8.43%

Source: USDA

New Crop Corn Prices



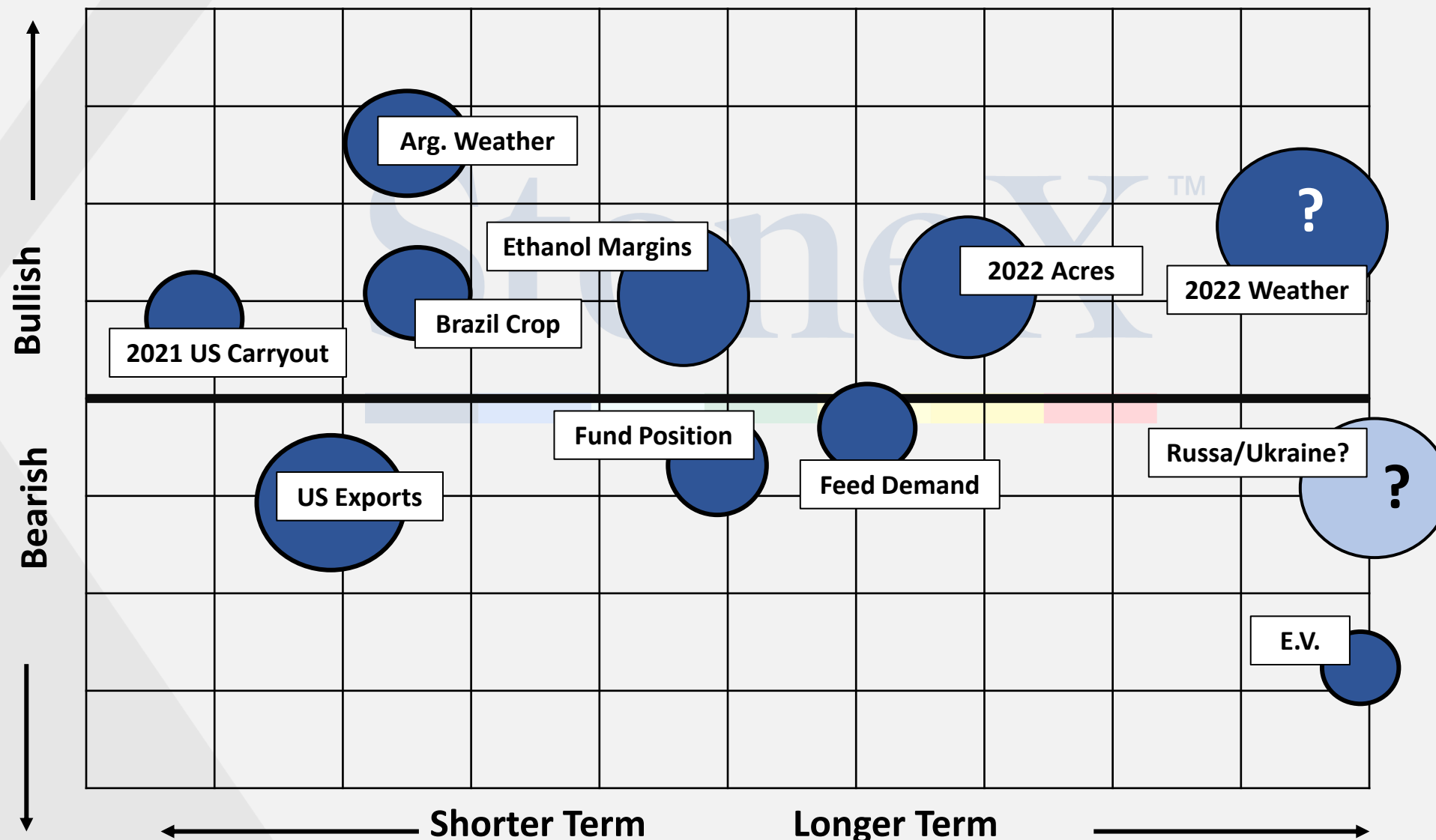
New Crop Corn Prices



How much corn do you want to sell in the top 17% of history?

Other Factors

Source: Speaker Estimates

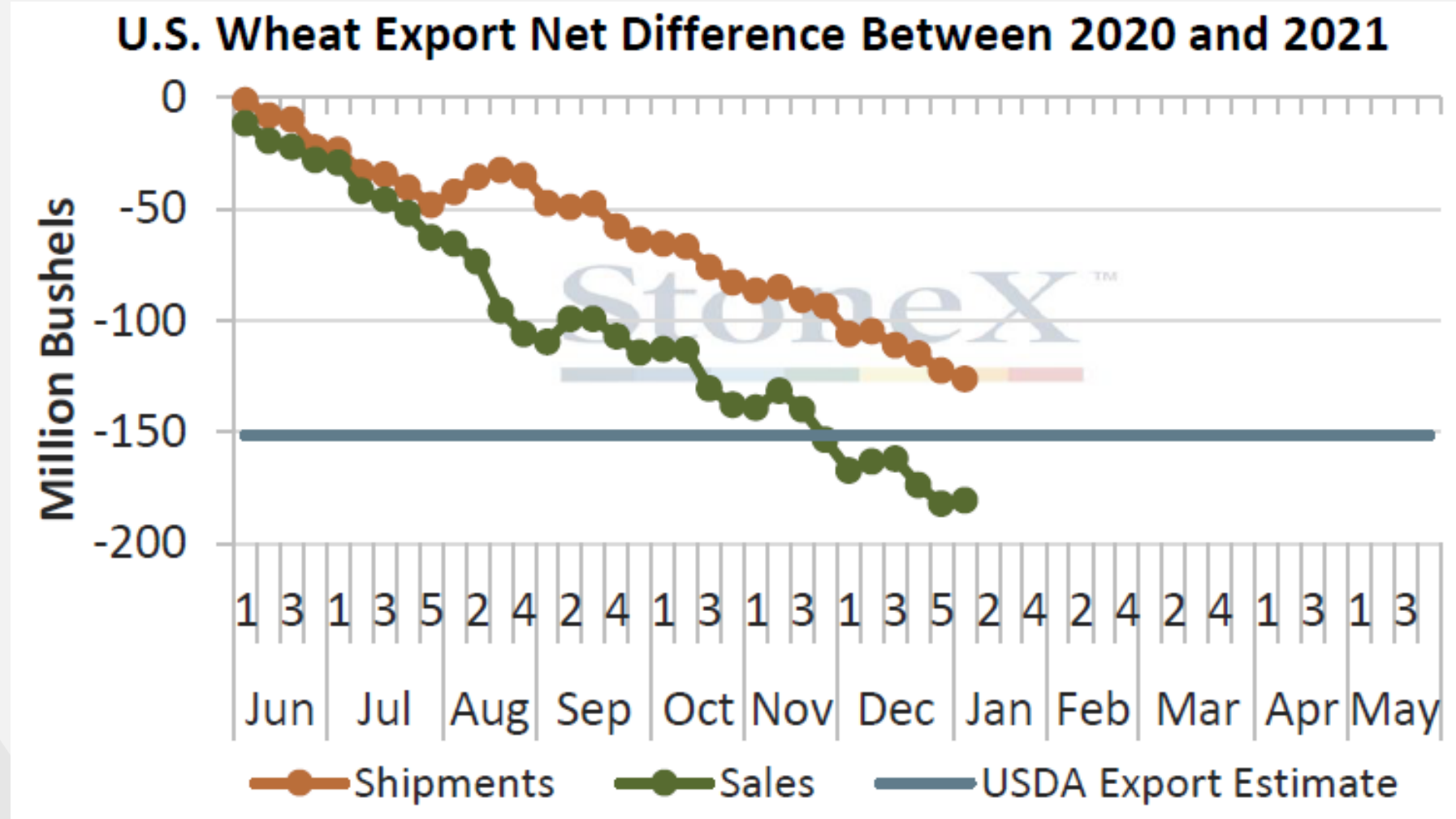


Wheat USDA Review

	JAN	FEB
	USDA	USDA
	<u>21/22</u>	<u>21/22</u>
Planted	46.7	46.7
Harvested	37.2	37.2
Yield	44.3	44.3
Carry-in	845	845
Production	1646	1646
<u>Imports</u>	<u>100</u>	<u>100</u>
Total Supply	2591	2616
Food	962	959
Exports	825	810
Seed	66	64
<u>Residual</u>	<u>110</u>	<u>110</u>
Total Use	1963	1943
Carryout	628	648

Source: USDA

Wheat Exports

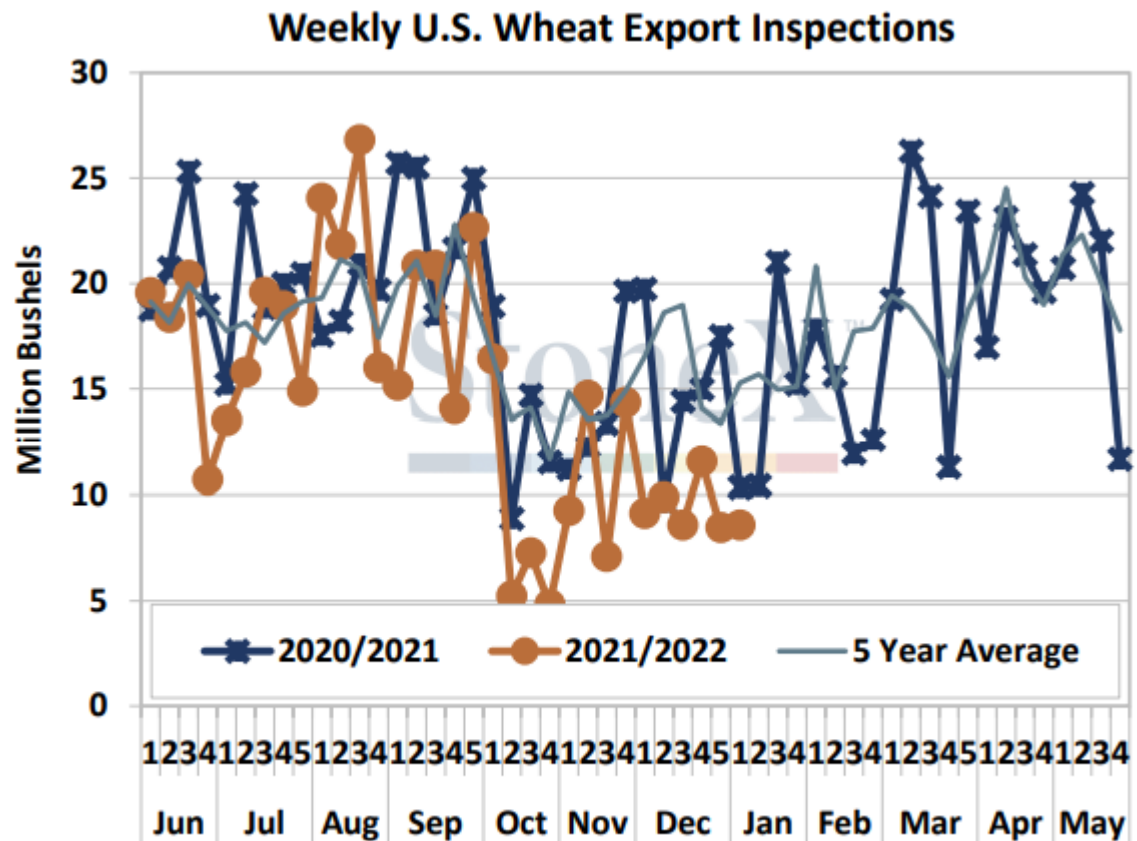


Wheat Exports



Wheat Exports

Source: USDA

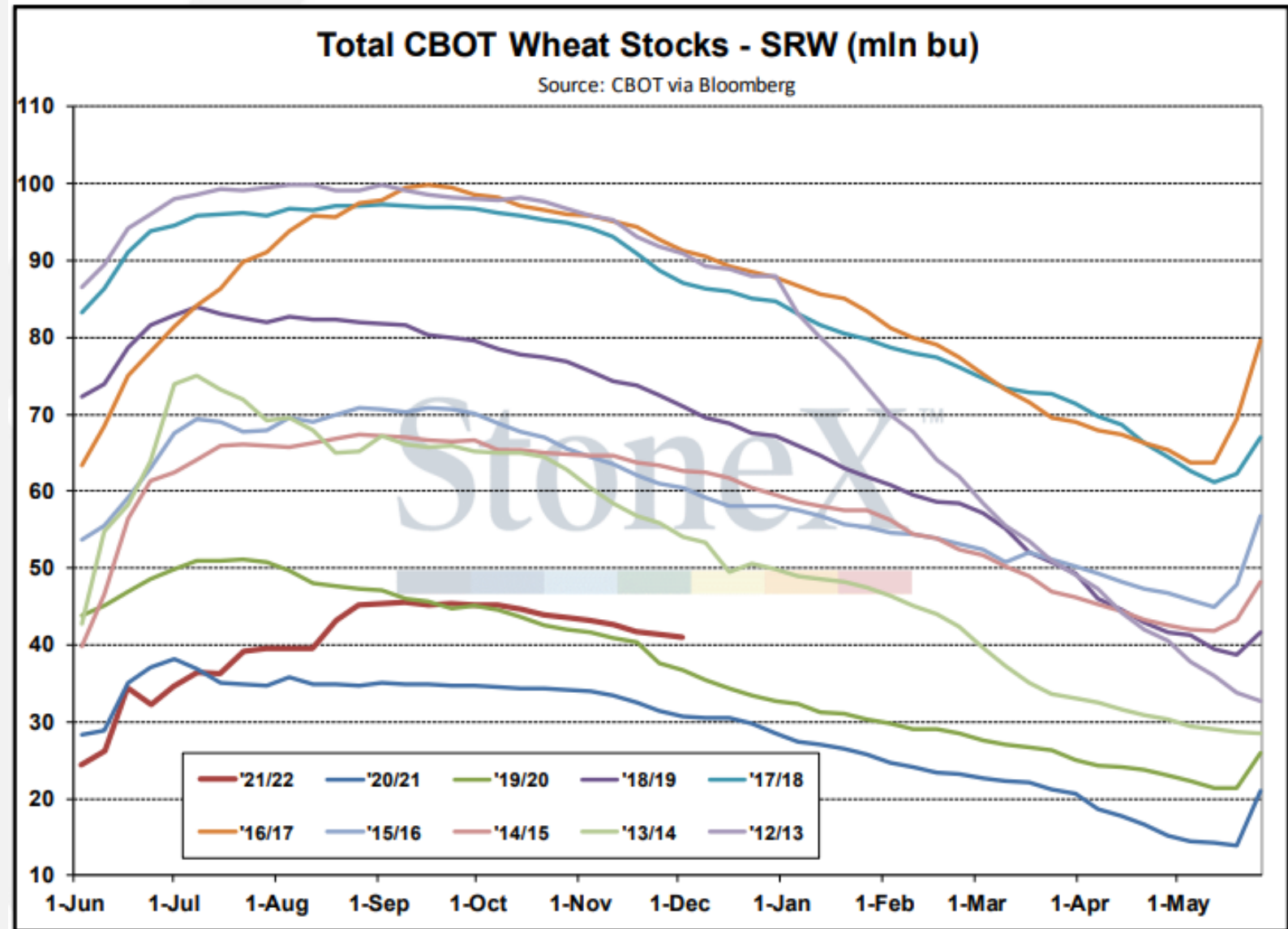


All Data in Million Bushels

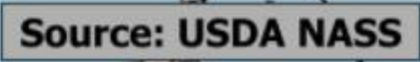
	Weekly U.S.				Seasonal Totals				
	Current 1/6/2022	Last Week 12/30/2021	Change	Last Year 1/7/2021	Current 1/6/2022	% of USDA Export Est.	Last week 12/30/2021	% of USDA Export Est.	Last Year 1/7/2021
Mexico	1.1	1.6	-0.5	1.8	80.9		79.8		60.0
Philippines	0.0	1.5	-1.5	2.1	61.0		61.0		73.0
Japan	2.2	1.2	1.0	2.4	51.7		49.4		56.0
Nigeria	0.0	1.9	-1.9	1.0	38.9		38.9		30.7
China	0.0	0.0	0.0	0.0	32.1		32.1		64.3
U.S. Inspections	8.6	8.5	0.1	10.3	456.8	54%	448.2	53%	562.1
Seasonal Pace Needed to Meet USDA's Export Estimate of 840 Mil Bu:					484.1	58%	470.6	56%	
Above/Below Pace Needed by: (20 Weeks Left)					-27.3	-3%	-22.4	-3%	

Source: USDA

Wheat Stocks



Source: Bloomberg



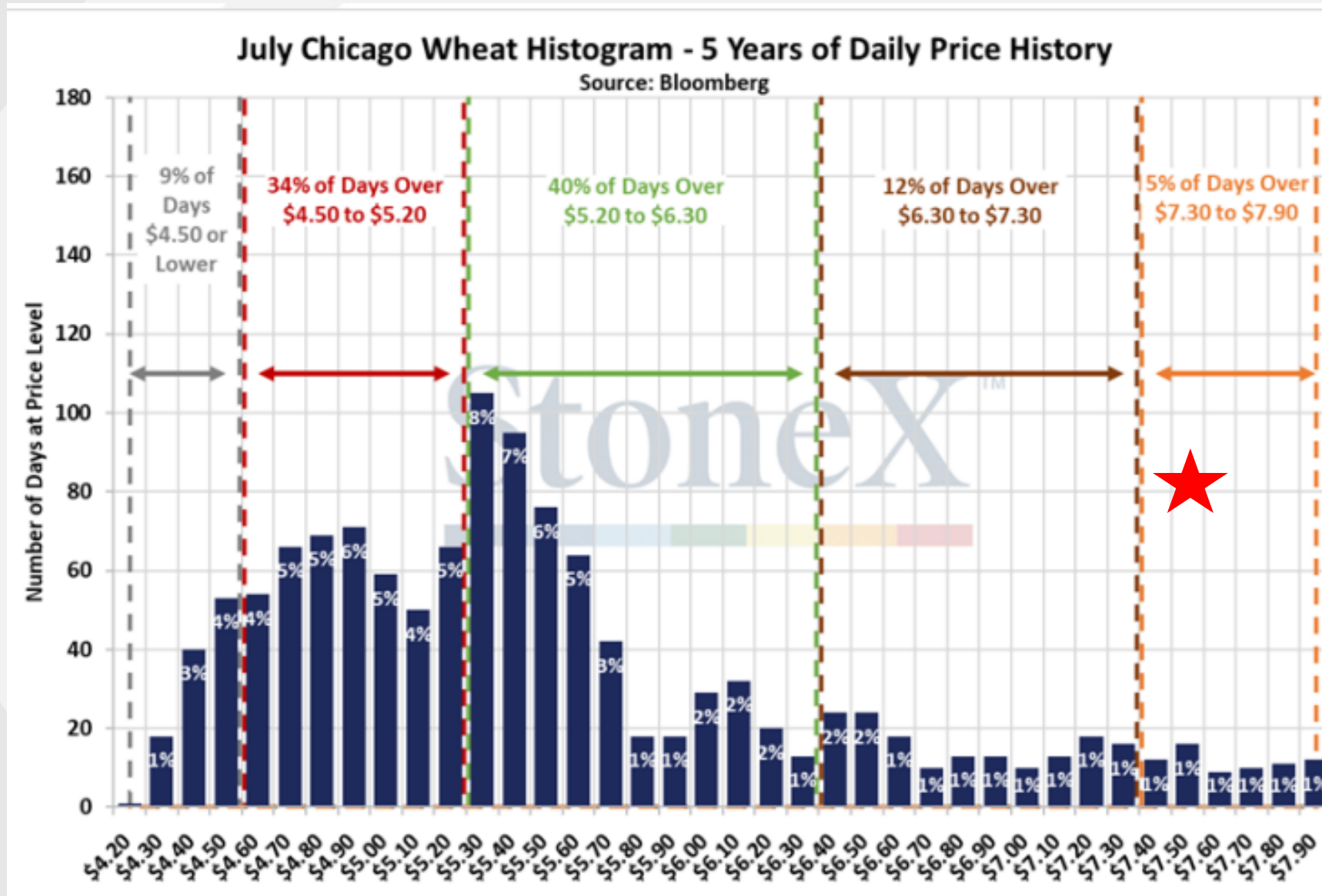
Source: USDA

Wheat Prices



Source: QST

Wheat Prices



Wheat Prices

What happens between Ukraine and Russia?



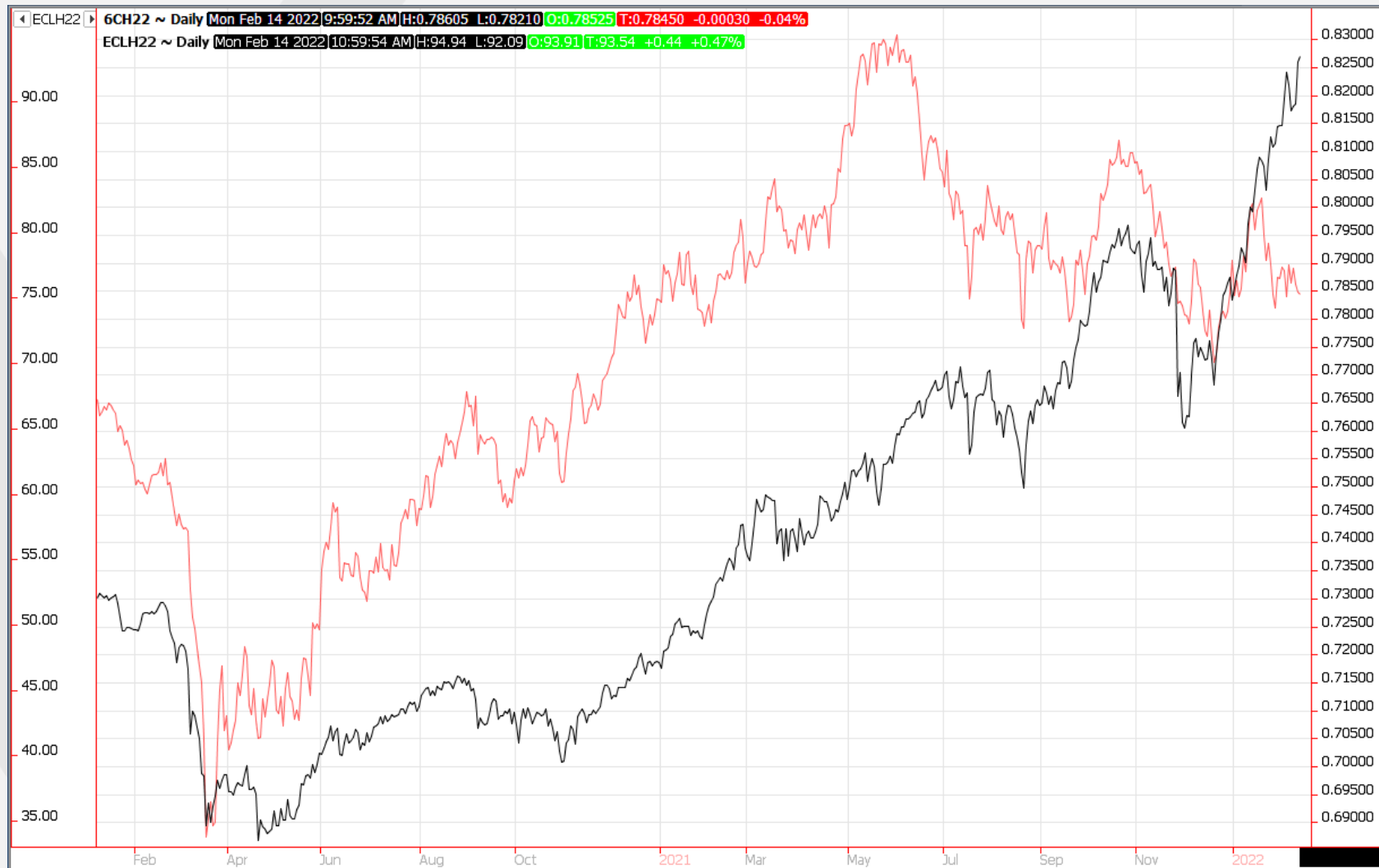
Ukraine warns Russia has 'almost completed' build-up of forces near border

Russia-Ukraine crisis: Why Brussels fears Europe is 'closest to war' in decades

Source: Bloomberg



CAD Prices



Source: Bloomberg

Political
Tension

WHEEL OF
FORTUNE

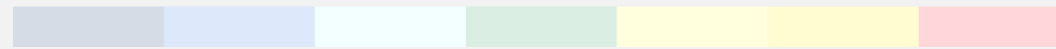


TM



Questions?

StoneXTM



THANK YOU!

Bailey Elchinger
Regional Director
Risk Management Consultant
StoneX Financial Inc. – FCM Division
Bailey.Elchinger@stonex.com
419-373-6344