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USDA will issue today at noon ET its **latest supply/demand estimates for US and Global grain supplies**, as well as estimates for US meat, dairy and egg production. In our recap on Monday we will cover any significant revisions to forecasts for meat production and trade. Bird flu impact will likely be reflected in revisions to turkey and egg production but we also expect to see changes in pork output for the second half of the year based on the lower than expected breeding herd and farrowing intentions. Keep in mind that we will have to wait until May for the first USDA 2023 estimates.

We expect to see revisions **to domestic and export grain balance sheets** but, as with proteins, we will have to wait until next month for the new crop production projections. It will be interesting to see how USDA changes the US corn balance sheet for 2021-22 based on the latest grain stocks numbers, ethanol demand and export pace. Judging from how futures have been trading so far, we think market expects USDA to increase the amount of corn currently going into ethanol but **there is a lot of debate as to whether export numbers warrant being revised higher**. One could argue that the current situation in Ukraine and inflation worries will support US corn exports this spring and summer. So far, however, corn export sales have been a bit behind USDA projections. Analysts, on average, expect ending stocks for 2021-22 to be at around 1.4 billion bushels, about 40 million bushels less than the last forecast, likely related to ethanol demand.

While the domestic supply/demand picture for corn will get some attention, **much of the focus will be on the global picture**. Gone are the days when US corn production and trade dominated the global market. In 2021-22 USDA is forecasting US exports to account for only 32% of global exports. Argentina (drought) will account for 20%, Brazil (drought) will account for 22% and Ukraine (war) is expected to account for 14% of global tradeable supply. The Brazilian corn crop is expected to rebound following the crop failures experienced last year. And the most recent USDA forecast was not much different than forecasts presented last October and November. In March USDA revised Ukraine corn exports down by 6 million MT or 18% but maybe even bigger revisions are expected. And these forecasts are for the Ukrainian crop that was harvested last year. How much will be planted/harvested this year will be a point of debate for the next few months.

The attached supply/demand table for 22/23 is simply meant to offer a baseline, using the USDA forecast presented in February but also the implications of a prospective plantings report with 2.5 million fewer acres than expected. USDA used a trend yield of 181 bu/acre in its projections. But the latest drought monitor map (see page 2) shows parts of the Western Corn Belt experiencing severe and even extreme drought conditions. Ethanol demand could see further upside and export numbers seem too low, especially if Ukraine production falls significantly short of previous years. The new crop guessing game is just starting and for now futures are pricing significant risk and uncertainty.

U.S. Corn Supply and Use

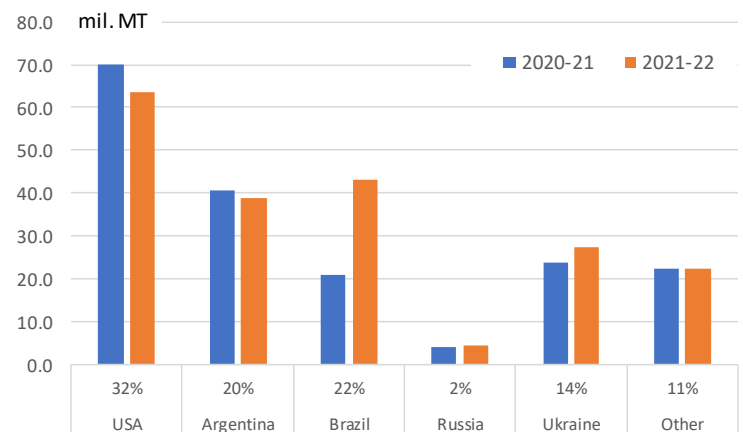
	2020/21		2021/22		% Change		2022/23 USDA Feb. Outlook **
	USDA	USDA Feb Est	USDA Mar Est	vs. 2019/20	vs. 2020/21		
Planted	90.7	93.4	93.4	4.1%	3.0%	89.5	
Harvested	82.3	85.4	85.4	5.0%	3.8%	81.3	
Yield per harvested acre	171.4	177.0	177.0	5.7%	3.3%	181.0	
Beginning stocks	1,919	1,235	1,235	-44.4%	-35.6%	1,440	
Production	14,111	15,115	15,115	11.0%	7.1%	14,724	
Imports	24	25	25	-40.5%	4.2%	25	
Supply, total	16,055	16,375	16,375	3.1%	2.0%	16,189	
Feed and residual	5,598	5,650	5,650	-4.2%	0.9%	5,650	
Ethanol for fuel	5,033	5,325	5,350	10.2%	6.3%	5,400	
Food, seed and residual	1,437	1,435	1,435	0.4%	-0.1%	1,440	
Domestic use, total	12,068	12,410	12,435	2.0%	3.0%	12,490	
Exports	2,753	2,425	2,500	40.7%	-9.2%	2,350	
Use, total	14,821	14,835	14,935	7.0%	0.8%	14,840	
Ending stocks	1,235	1,540	1,440	-25.0%	16.6%	1,349	
Avg. farm price (\$/bu)	4.53	5.45	5.65	58.7%	24.7%	9.1%	
Ending Stocks/Use	8.3%	10.4%	9.6%				

Source: USDA Monthly WASDE Report. Corn crop marketing year starts September 1.

** Yield and Demand Data from USDA February Outlook. Plantings Revised using Latest Farmer Survey

Projections for 2021-22 Global Corn Exports and Comparison to Year Ago

Data source: USDA. Analysis by Steiner Consulting



% refers to share of total exports during 2021-22 marketing year

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U.S. Drought Monitor

April 5, 2022
 (Released Thursday, Apr. 7, 2022)
 Valid 8 a.m. EDT

