

USDA WASDE REPORT | December 2022

December 12 WASDE Report

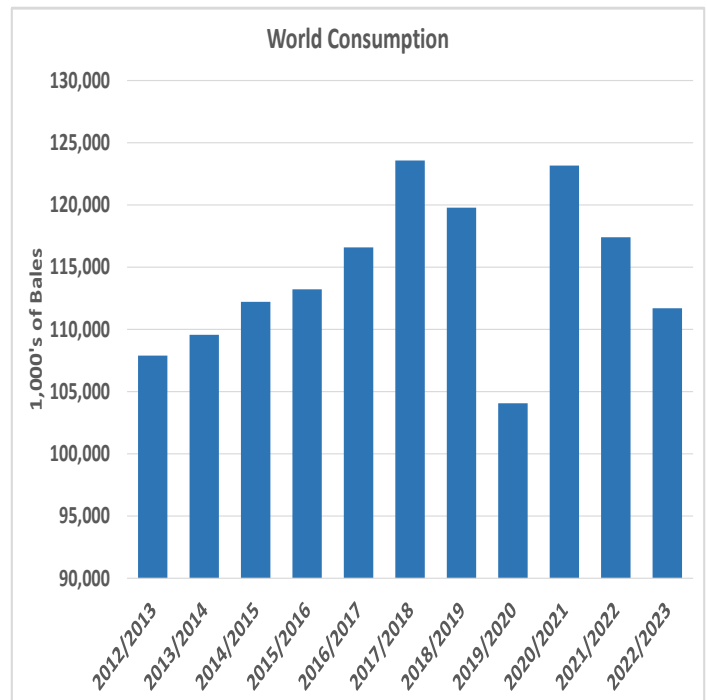
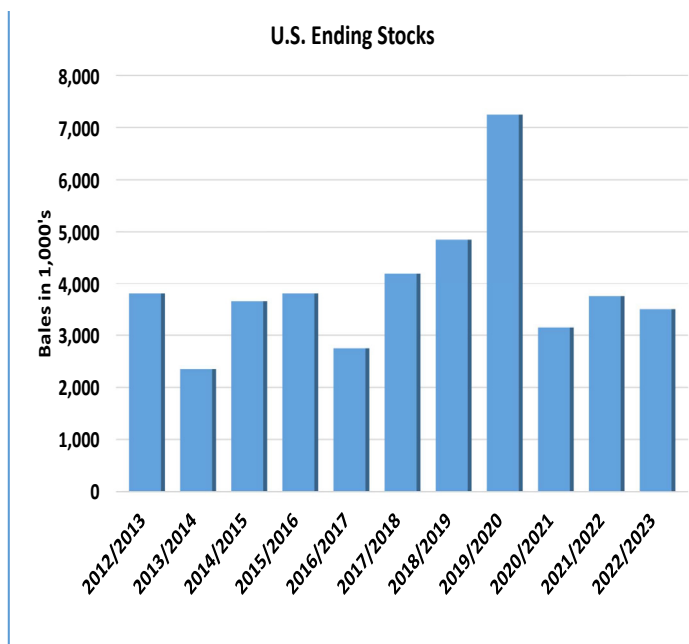
WASDE Projections Cut World Consumption 3.3 million

The USDA, WASDE December 9, 2022 supply and demand estimates for the 2022/23 marketing year put U.S. ending stocks up by 500,000 bales and world ending stocks up 2,294,000 bales from the November 9 estimate.

The U.S. numbers show an increase in production of 211,000 bales, and a decrease in exports of 250,000 bales. U.S. domestic use is down by 100,000 bales from last month.

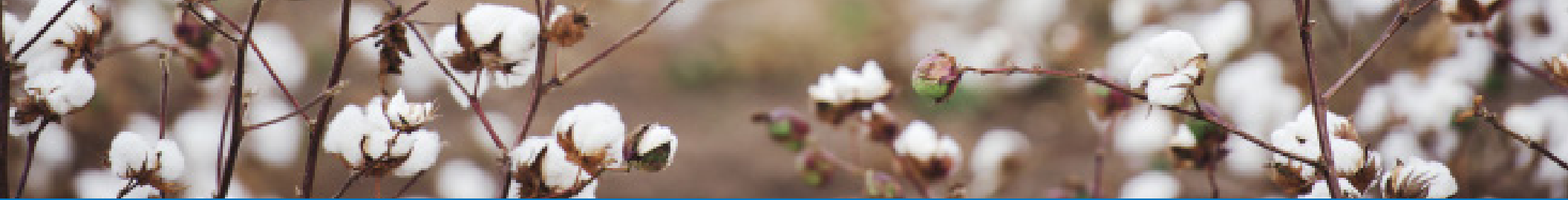
The WASDE estimates show a decrease in 2022/23 global production of 701,000 bales, and a decrease in 2022/23 global consumption of 3,250,000 bales.

Global production is projected to be higher in Greece (10,000), Turkey (500,000), and United States (211,000); but lower in



Australia (-500,000), Mali (-120,000), and Pakistan (-800,000). Consumption is higher in Malaysia (50,000); but lower in China (-1,000,000), India (-1,000,000), and Pakistan (-700,000). The WASDE projects imports will be higher for India (100,000), and Malaysia (50,000); but lower in China (-500,000), Turkey (-400,000), and Vietnam (-200,000).

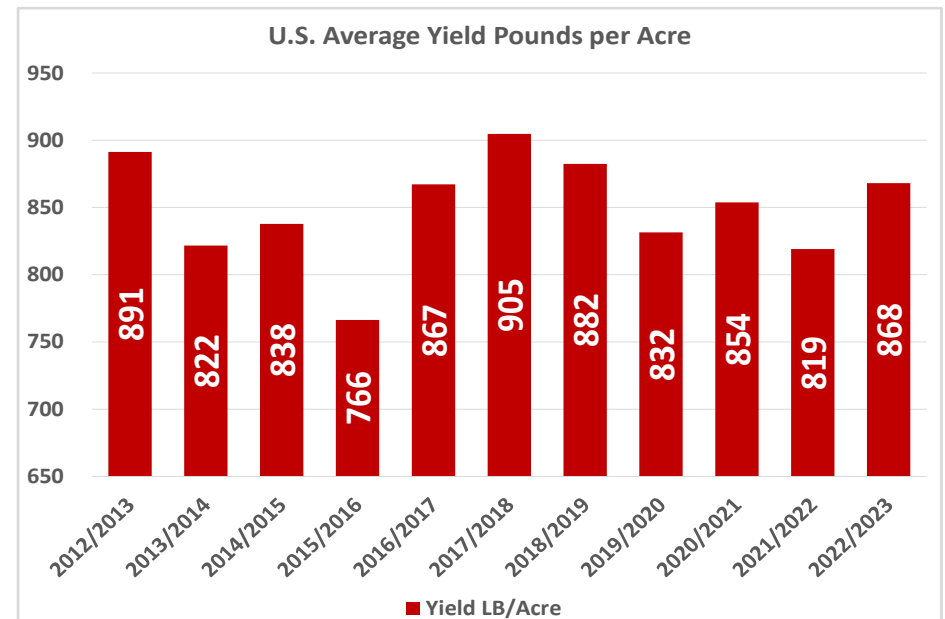
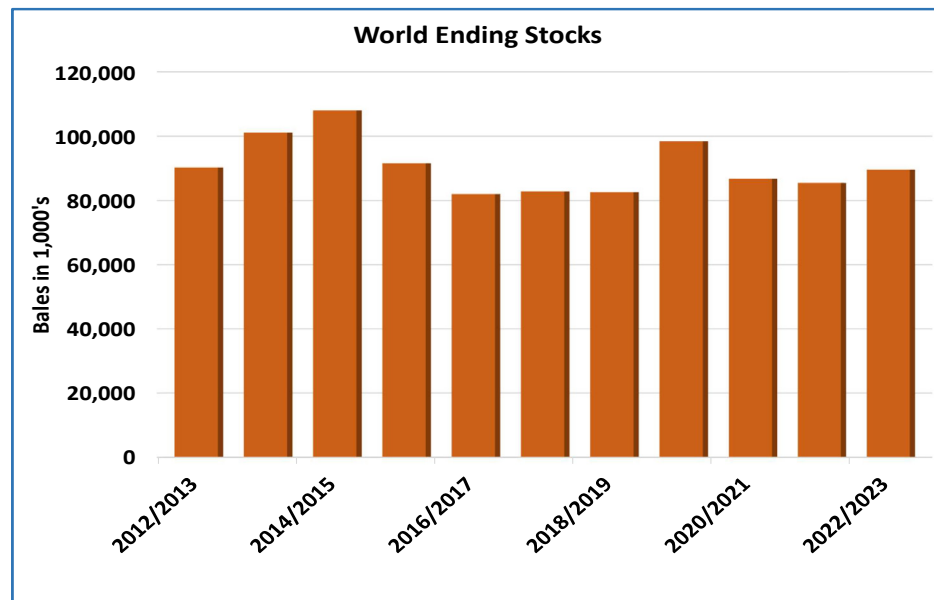
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U.S. Production

The U.S. crop was increased by 211,000 bales in The December estimate after a 219,000 bales increase in November. Once again the increase was mainly due to an increase in Southeast and Mid-South average yields. Notable was North Carolina increase of 64,000 bales with average yield of 1,002 pounds per acre, up from 935 pounds in the November estimate. The six Southeastern states

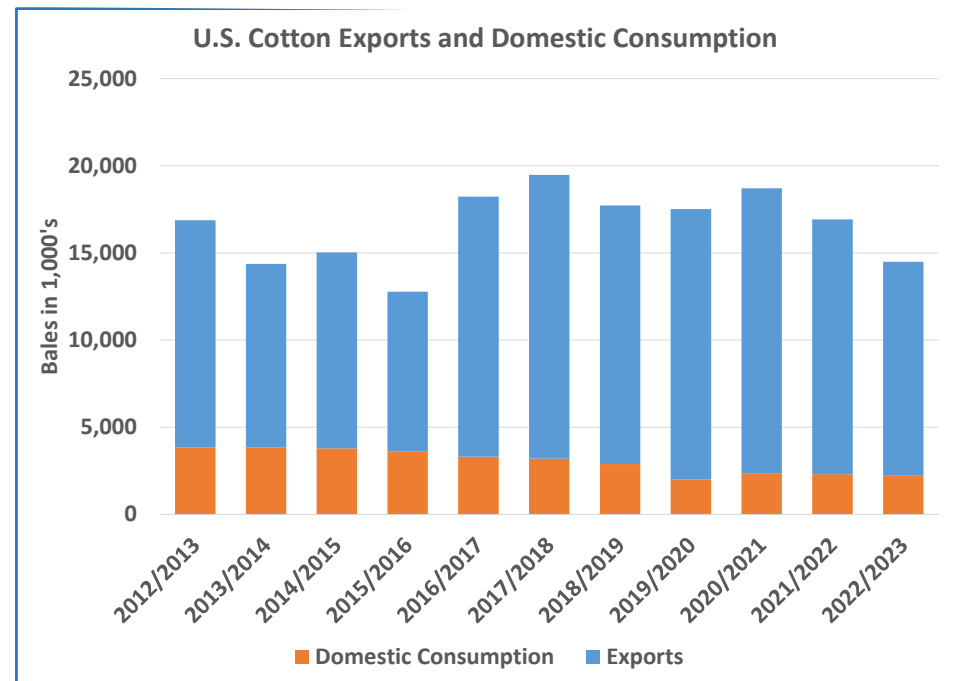


added 85,000 bales and the five Mid-South states added 116,000 bales. Texas, Oklahoma and Kansas production was unchanged. Far Western states added 10,000 bales. The average yield for the U.S. is now projected at 868 pounds per acre, versus 855 last month and 819 last year. This is highest average yield for the U.S. since 2018 when 882 pounds was achieved. Record yield was set in 2017 with 905 pounds.

The average yield for the U.S. is now projected at 856 pounds per acre, versus 841 last month and 819 last year.

Market Impact

March futures plunged 2.00 cents in the 15 minutes after the report was released on heavy volume. Futures had already lost 4 cents this week in anticipation of a bearish WASDE report and a disappointing export report. Most of the world trade thinks that world consumption is projected too high at 111.7 million bales even after today's 3.25 million bales decrease from last month. Today the USDA projects global consumption for 2022/23 market year is down 5.7 million bales from last year and down 11.5 million bales from two years ago.



This compares to the COVID year of 2019/20 when world consumption dropped by almost 16 million bales year-to-year. The 2008/09 crop saw world consumption decrease by 14 million bales, and for the 2011/12 crop world consumption decreased 8 million.



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