



# MORNING MARKET REPORT

Wednesday, September 21, 2022

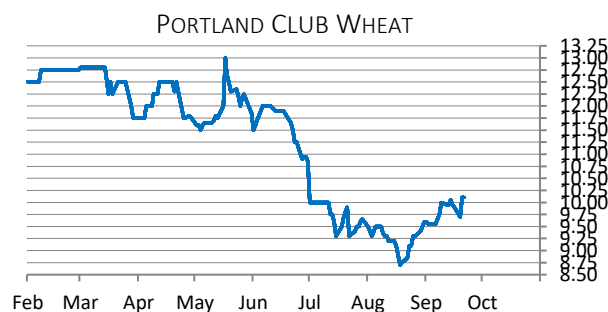
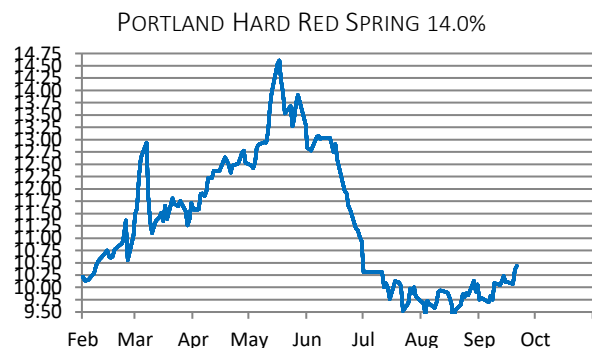
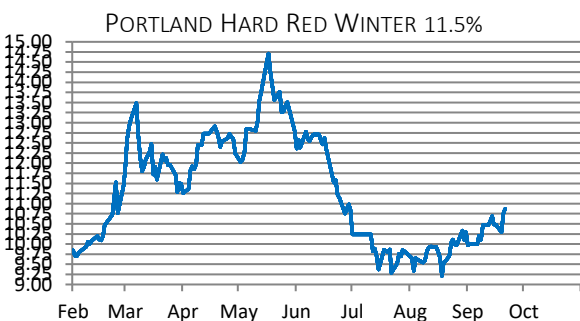
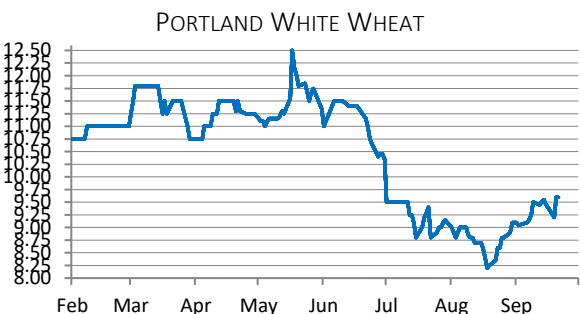
## Market Summary

**Wheat futures are holding on to yesterday's gains this morning**, trading 2 to 4 cents higher in the **DECEMBER** futures after trading lower in the overnight and early part of the morning sessions. Yesterday's announcement from Russia that they will pursue a referendum to annex the Russia-controlled areas in Ukraine has provided the fireworks for yesterday's markets. The areas affected amount to roughly 15% of Ukraine's total area. If the territory in question "becomes" part of Russia it opens up some more flexibility on how Russia can recruit, spend, and defend in their operations. Russia is now mobilizing roughly 300,000 additional recruits to be made up of recalling retired veterans, drafting additional soldiers from their citizenry and calling in reservists. Putin also alluded to the willingness to use "small scale" nuclear weapons to defend Russia, stating that they are facing the might of the entire NATO led western nations who have been effectively aiding Ukraine with advanced weaponry, intelligence and training. Anytime the word "nuclear" is thrown around it puts everyone on edge.

**The US has been lagging on its ability to compete on the world export stage.** Latest world wheat values have Russia at \$320/mt (8.70/bushel). The EU at \$345/mt (9.39/bushel). and US SRW \$390/mt (10.60/bu). This had been pressuring US wheat values lower prior to all the Russia annexation of Ukraine craziness.

**Russia's IKAR raised its estimate of Russia's wheat crop** by 2mmt, up to 99 mmt. USDA is currently at 91 mmt on their estimates. With Russia lowering their export tariffs and their large supplies, they will be exporting the heck out of their wheat this year. **Ukraine's Ag Minister** in the meantime has said their 2023 wheat crop could decline to 16-18mmt due to an expected 20% decrease in planted area. (Partly because of difficulty in getting the inputs needed to get a crop in the ground and partly because there are Russian soldiers standing on parts of Ukraine that they would normally be able to plant).

**Cash Futures Prices:** Chicago DEC is up 4 at 911, KC DEC is up 3 at 966 and 26MPLS DEC is up 2 at 964. US Dollar is trading 0.75 higher at 110.97.



Same Pro Scale as SWW

## Cash Grain Bids: Delivered Portland

|            | SWW<br>Bushel | *CLUB*<br>Bushel | HRW 11.5%<br>Bushel | DNS 14.0%<br>Bushel | BARLEY<br>Ton |
|------------|---------------|------------------|---------------------|---------------------|---------------|
| <b>SEP</b> | 9.60          | 10.10            | 10.87               | 10.44               | 270.00        |
| <b>OCT</b> | 9.60          | 10.10            | 10.87               | 10.44               | 270.00        |
| <b>NOV</b> | 9.62          | 10.12            | 10.87               | 10.44               | 270.00        |
| <b>DEC</b> | 9.64          | 9.64             | 10.87               | 10.44               | 235.00        |
| <b>JAN</b> | 9.66          | 9.66             | 10.82               | 10.46               | 235.00        |
| <b>FEB</b> | 9.68          | 9.68             | 10.82               | 10.46               | 235.00        |

## PROTEIN SCALES

HRW: + 5 cents each 1/2% above 11.5% to 13.0%; - 10 cents each 1/2% below 11.5%

DNS: + 2 cents each 1/4% above 14.0% to 15.5%; - 04 cents each 1/4% below 14.0%

SWW: No Discount or Premium from 10.5% pro. New crop Sww:  
Market scale based on 10.5% pro.

**\*\* CLUB WHEAT MAX 10.5% PROTEIN ONLY \*\***

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