



MORNING MARKET REPORT

Thursday, May 18, 2023

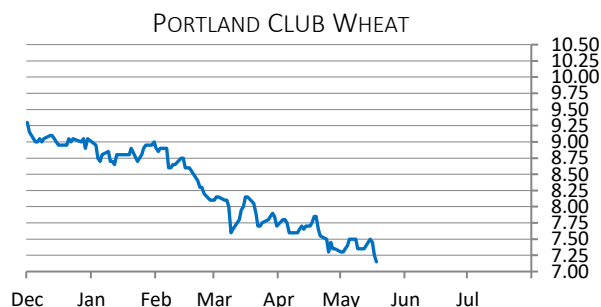
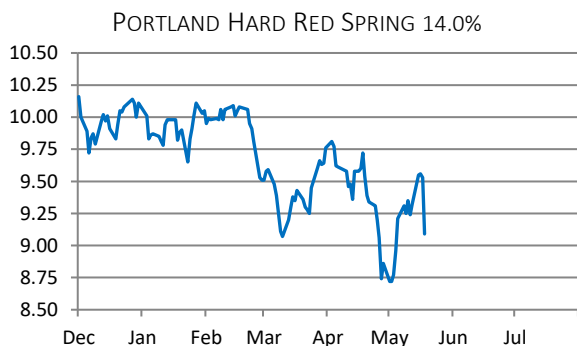
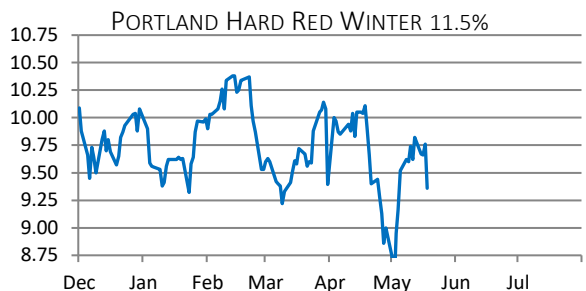
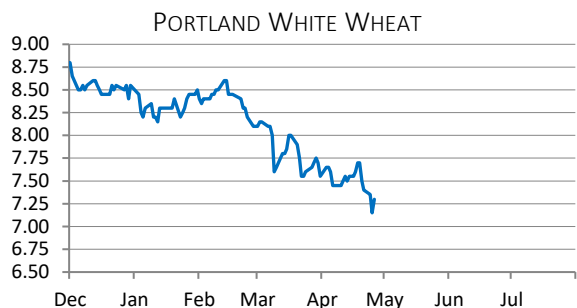
Market Summary

Wheat futures are trading lower this morning, down 15 to 30 cents in the JULY futures, with the KC and MPLS suffering the most. A carryover of yesterday's slide which was sparked by a last-minute 2-month extension of the Black Sea shipping agreement. The US growing areas have been getting close to ideal weather recently, whether it is moisture in the drought areas or a patch of good weather to catch up on planting spring crops. Monday's announcement of a cancellation of yet another big corn purchase by China (272,000 MT) has added even more pressure to the markets and will further increase Corn ending stocks. The recent rise in the US dollar has also added some pressure to our ability to compete for exports.

The severe conditions of the US HRW crop is being illustrated by this week's crop tour which has been finding low yields and bad crop quality. Unfortunately, this hasn't provided as much support as we might have anticipated. One reason for the lackluster market reaction is that we are in a global market and the US is only the 5th largest exporter nowadays. We have been referred to as a "supplier of last resort" which means once the wheat buyers pick off the cheaper offerings of Russia, Ukraine, Australia, etc, they are left to deal with the US market, which still has a good supply but it comes at a higher cost. The point is that any supply issues out of the #5 exporter of wheat won't have as big of an impact unless there are some production concerns with one or a few of the other big producers. When the Black Sea region is having issues, then additional production issues from the US can have a big effect, but when most of the large producers of wheat are having good conditions, supply concerns from the US do not make as big of an impact.

The HRW Quality Tour released their second day's yield at 27.5 bpa making their two-day average 28.7 which is the worst since 2003. Last year's two day average was 38.2. Last Friday the USDA estimated the yield in Kansas at 29.0 BPA.

Cash Futures Prices: Chicago JULY is down 15 cents at 610, KC JULY is down 28 at 857 and MPLS JULY is down 30 at 829 US Dollar is trading 0.69 higher at 103.57.



Same Pro Scale as SWW

Cash Grain Bids: Delivered Portland

	SWW Bushel	*CLUB* Bushel	HRW 11.5% Bushel	DNS 14.0% Bushel	BARLEY Ton
MAY	7.00	7.15	9.36	9.09	250.00
JUN	7.00	7.15	9.36	9.09	250.00
JLY - NC	7.00	7.15	9.25	9.11	250.00
AUG - NC	7.00	7.15	9.25	9.11	250.00
SEP - NC	7.00	7.00	9.25	9.11	250.00
OCT - NC	7.10	7.10	9.16	9.12	250.00

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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