2022 Wisconsin Ag Outlook Forum
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2022 Grain Market Outlook
Focus on the Year Ahead for the Corn and Soybean Markets

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Futures and options trading is not for everyone. The risk of loss in trading is substantial. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. Total Farm Marketing and TFM refer to Stewart-Peterson Group Inc., Stewart-Peterson Inc., and SP Risk Services LLC, all part of the Total Farm Marketing family of companies. Stewart-Peterson Group Inc. is registered with the Commodity Futures Trading Commission (CFTC) as an introducing broker and is a member of National Futures Association; Stewart-Peterson Inc. is a publishing company; SP Risk Services LLC is an insurance agency. A customer may have relationships with all three companies.
Immediate thoughts on the market

• Volatility is here to stay…
• Is there demand that the market needs?
• Corn and soybean supplies…enough or tight?
• What is going on with South American weather?
• The elephant in the room…China?
• What is going to happen in 2022?
Grain prices have been well-supported since harvest...

March Corn Futures:
$1.11 rally since Sept 9 low

March Soybean Futures:
$2.22 rally since Nov 9 low
...and are trading at historically good value.
Well-supported prices also bring maximum risk.
Looking into 2022…

What are the Big Things to Watch in the Grain Markets?

1. The Supply Picture
2. A Demand-Driven Market
3. Commodity Super Cycle
4. The Pending Acre Battle
5. The Flow of Money
6. The Weather for 2022
1. The Supply Picture

U.S. ending stocks still historically low

U.S. Corn Ending Stocks: USDA’s Monthly Forecast (millions of bushels)

U.S. Soybean Ending Stocks: USDA’s Monthly Forecast (millions of bushels)

Data source: U.S. Department of Agriculture

@kannbwx
1. The Supply Picture
U.S. ending stocks still historically low

US Soybean Ending Stocks

US Corn Ending Stocks

Most Recent: 350 As of 01/12/2022

Most Recent: 1,540 As of 01/09/2022
1. The Supply Picture

Tight stocks-to-use ratios

US Soybean Ending Stocks vs Stocks / Usage Ratio

US Corn Ending Stocks vs Stocks / Usage Ratio

Updated: 01/09/2022

The Hightower Report
1. The Supply Picture

World production vs usage
2. Is the Demand there...?

Export sales on the books are lagging

**US Soybean Total Commitments for Export**

- 2020
- 2019
- 2018
- 2017
- 2016
- 2021

**US Corn Total Commitments for Export**

- 2020
- 2019
- 2018
- 2017
- 2016
- 2021

Source: USDA

- 1532.26
- 1613.96
2. Is the Demand there...?

Ethanol and soybean crush demand to the rescue
3. Commodity Super Cycle

Bloomberg Commodity Index--Monthly Chart
3. Commodity Super Cycle

Crude Oil Continuous Monthly Futures Chart--Tracking March
4. The Pending Acre Battle

![Graph showing Principal Crop Acres in the United States from 2012 to 2021. The graph displays the planted and harvested acres over the years, with a notable decrease in planted acres from 2019 to 2020 and a subsequent increase in 2021.](image)

United States Department of Agriculture
National Agricultural Statistics Service

January 12, 2022
4. The Pending Acre Battle

Soybean: corn ratio
5. The Flow of Money
6. The Weather for 2022

LA NIÑA
6. The Weather for 2022

[Initial Soil Moisture Map: Liquid Water in top 2 meters of soil, Valid time: Wed., 19 JAN 2022 at 00Z]

[Soil Moisture Change Map: 00Z 19 JAN 2022 to 00Z 27 JAN 2022]
6. The Weather for 2022
6. The Weather for 2022
U.S. weather will still be closely watched for 2022
Marketing Keys for 2022

• Volatility will not be going away…
• The key will be “flexibility”…
• Instead of worrying about how “high” prices can go, take advantage of the opportunity and manage the risk.
• Stay disciplined to targets; build the “base” through cash sales and defensive strategies.
• Market the opportunity, and “own the potential.”
• Producers need to measure the risks of “doing nothing” vs the cost of using marketing tools and strategies.
• Don’t forget about 2023!
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Thank you for your time.