

## January 12, 2022 - USDA World Supply and Demand Estimates

### Corn

**Market Reaction and Price Outlook:** March 2022 corn futures closed down 2 cents at \$5.99 with a trading range for the day of \$5.91 to \$6.04. December 2022 corn futures closed up  $\frac{3}{4}$  cent at \$5.59  $\frac{1}{4}$  with a trading range for the day of \$5.49 to \$5.59  $\frac{1}{2}$ . US stocks increased due to increased acres. The focus moving forward will be on Brazil's second crop corn and US planted acres. Profitability relative to soybeans and cotton and fertilizer prices provide an uncertain US planting season.

**USDA Summary:** This month's 2021/22 U.S. corn outlook is for higher production, greater food, seed, and industrial use (FSI), lower exports, and larger ending stocks. Corn production is estimated at 15.115 billion bushels, up 53 million on a 0.3-million acre increase in harvested area. Total corn use is virtually unchanged at 14.835 billion. Exports are lowered 75 million bushels to 2.425 billion, reflecting expectations of increased competition from other exporters. FSI use is raised 80 million bushels. Corn used for ethanol is raised 75 million bushels to 5.325 billion, based on data through November from the Grain Crushings and Co-Products Production report and weekly ethanol production data as reported by the Energy Information Administration for the month of December. The projected amount of corn used for glucose and dextrose is raised 5 million bushels. Feed and residual use is unchanged at 5.650 billion, based on indicated disappearance during the September-November quarter as reflected by the Grain Stocks report. With use essentially unchanged and supply rising, corn stocks are raised 47 million bushels. The season-average corn price received by producers is unchanged at \$5.45 per bushel.

Global coarse grain production for 2021/22 is forecast lower. This month's foreign coarse grain outlook is for lower production, consumption, and stocks. Foreign corn production is forecast lower with declines for Brazil, Argentina, Kenya, Mexico, the EU, and Paraguay that are partially offset by an increase for Ukraine. For Argentina, dryness during December reduces yield prospects for early-planted corn in key central growing areas, although with an increase in late-planted corn area for much of the crop the critical phase of the growing season lies in the months ahead. Brazil is lowered reflecting reduced yield expectations for first-crop corn in southern Brazil. Other major coarse grain production changes include updated barley, sorghum, and millet production for China based on the latest information from the Rural Statistical Yearbook.

Major global coarse grain trade changes for 2021/22 include greater corn exports for Ukraine, Pakistan, and Tanzania with a reduction for Paraguay. For 2020/21, Argentina and Brazil's exports for the marketing year beginning in March 2021 are raised based on observed shipments to date. For 2021/22, corn imports are raised for Kenya, Brazil, Canada, and Mexico, but lowered for Bangladesh. Foreign corn ending stocks are lower, mostly reflecting reductions for Brazil, Argentina, and Pakistan. Global corn stocks, at 11.933 billion bushels, are down 98 million.

	2017/18	2018/19	2019/20	2020/21 Est.	2021/22 Projected December	2021/22 Projected January	2021/22 Change from Previous Month	Change 2021/22- 2020/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	90.2	88.9	89.7	90.7	93.3	<b>93.4</b>	0.1	2.7
Harvested (Million)	82.7	81.3	81.3	82.3	85.1	<b>85.4</b>	0.3	3.1
U.S. Avg. Yield (Bu/Acre)	176.6	176.4	167.5	171.4	177	<b>177</b>	0.0	5.6
<b>Supply (Million Bushels)</b>								
Beg. Stocks	2,293	2,140	2,221	1,919	1,236	<b>1,235</b>	-1	-684
Production	14,609	14,340	13,620	14,111	15,062	<b>15,115</b>	53	1,004
Imports	36	28	42	24	25	<b>25</b>	0	1
Total Supply	16,939	16,509	15,883	16,055	16,323	<b>16,375</b>	52	320
<b>Use &amp; Ending Stocks (Million Bushels)</b>								
Feed and Residual	5,304	5,429	5,900	5,602	5,650	<b>5,650</b>	0	48
Ethanol	5,605	5,378	4,857	5,028	5,250	<b>5,325</b>	75	297
Food, Seed & Industrial	1,452	1,415	1,429	1,438	1,430	<b>1,435</b>	5	-3
Exports	2,438	2,066	1,777	2,753	2,500	<b>2,425</b>	-75	-328
Total Use	14,798	14,288	13,963	14,821	14,830	<b>14,835</b>	5	14
U.S. Ending Stocks	2,140	2,221	1,919	1,235	1,493	<b>1,540</b>	47	305
Foreign Stocks	11,308	10,419	10,138	10,270	10,535	<b>10,392</b>	-143	122
<b>Price and Stocks to Use Ratio</b>								
U.S. Avg. Season Price (\$/Bu)	\$3.36	\$3.61	\$3.56	\$4.53	\$5.45	<b>\$5.45</b>	\$0.00	\$0.92
U.S. Stocks/Use	14.46%	15.54%	13.74%	10.27%	10.07%	<b>10.38%</b>	0.31%	0.11%

Source: USDA-WASDE January 12, 2022

**World Corn Supply and Use (Million Bushels) 2021/22 Marketing Year - Current Month**

Country / Region	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	11,505	47,516	7,354	29,570	47,089	8,039	11,931
United States	1,235	15,115	25	5,650	12,410	2,425	1,540
Total Foreign	10,270	32,401	7,329	23,920	34,679	5,614	10,392
Argentina	44	2,126	0	394	551	1,535	84
Brazil	206	4,527	79	2,441	2,874	1,693	245
Russia	30	591	2	386	429	177	16
South Africa	111	669	0	287	524	126	131
Ukraine	33	1,653	1	264	311	1,319	57
Egypt	54	252	405	563	661	0	49
E.U.	300	2,754	591	2,335	3,146	193	307
Japan	58	0	614	484	624	0	48
Mexico	121	1,087	681	1,024	1,740	24	125
Southeast Asia	202	1,164	685	1,598	1,915	23	113
South Korea	76	3	461	374	467	0	73
Canada	85	550	130	445	650	39	77
China	8,098	10,730	1,024	8,425	11,574	1	8,277
ROW	852	6,294	2,657	4,901	9,214	484	790

**World Corn Supply and Use (Million Bushels): Current-Previous Month (2021/22)**

Country / Region	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	-18	-70	54	13	9	-26	-97
United States	-2	53	-	-	80	-75	46
Total Foreign	-16	-123	53	13	-70	49	-144
Argentina	-20	-20	-	-20	-20	-	-20
Brazil	-	-118	12	-	-	-	-106
Russia	-	-	-	-	-	-	-
South Africa	-	-	-	-	-	-	-
Ukraine	-	79	-	39	39	39	-
Egypt	7	-	-	4	4	-	2
E.U.	-1	-15	-	-16	-16	-	-
Japan	-	-	-	-	-	-	-
Mexico	-	-16	12	-	-	-	-4
Southeast Asia	-	-	-	-	-	2	-2
South Korea	-2	-	8	-	2	-	4
Canada	-	-	12	12	12	-	-
China	-	-	-	-	-	-	-
ROW	-1	-33	10	-7	-92	8	-18

Source: USDA-WASDE January 12, 2022

## **Cotton**

**Market Reaction:** March 2022 cotton futures closed up 1.62 cents at 117.64 cents with a trading range for the day of 115.7 to 118.99 cents. December 2022 cotton futures closed up 1.07 cents at 96.34 with a trading range for the day of 94.75 to 96.50 cents. Decreased global stocks continue to support prices. US exports were decreased by 500,000 bales, however production dropped 660,000 bales. December 2022 appears to on a path to \$1.

**USDA Summary:** U.S. 2021/22 cotton ending stocks are projected lower this month with lower production and a slight increase in domestic consumption more than offsetting lower exports. Production is 660,000 bales lower at 17.6 million bales—largely due to revised Texas yields—and U.S. mill use is 50,000 bales higher, at 2.55 million bales, based on faster than expected gains through November. Exports are reduced with a lower U.S. crop, continuing logistical issues in the United States and elsewhere, and a decline in projected world trade. Exports are reduced 500,000 bales to 15.0 million, and 2021/22 ending stocks are 200,000 bales lower relative to last month, at 3.2 million bales or 18 percent of use. The projected upland season-average price received by U.S. farmers is unchanged this month, at 90 cents per pound.

Changes in the global 2021/22 balance sheet are relatively small this month, led by a 608,000-bale reduction in world production. Projected world production is reduced as lower U.S. production and a 500,000-bale decline in India's crop more than offsets increases for China, Australia, and Pakistan. The 2021/22 world cotton trade forecast is 385,000 bales lower this month. A 500,000-bale decline in China's expected imports more than offsets a 200,000-bale increase for Pakistan, and smaller changes elsewhere. Exports are projected lower for the United States and Burkina Faso, but higher for Australia and smaller Franc Zone exporters. The 2021/22 global consumption forecast is virtually unchanged as a 500,000-bale decline in China's cotton use is offset by gains for India, Mexico, and Pakistan. Global ending stocks for 2021/22 are down 726,000 bales this month, at 85.0 million bales, 3.4 million bales lower than in 2020/21.

	2017/18	2018/19	2019/20	2020/21 Est.	2021/22 Projected December	2021/22 Projected January	2021/22 Change from Previous Month	Change 2021/22-2020/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	12.72	14.1	13.74	12.09	11.19	<b>11.22</b>	0.03	-0.87
Harvested (Million)	11.1	9.99	11.5	8.27	9.92	<b>9.97</b>	0.05	1.7
U.S. Average Yield (lb/acre)	905	882	831	847	885	<b>849</b>	-36	2
<b>Supply (Million Bales)</b>								
Beg. Stocks	2.75	4.2	4.85	7.25	3.15	<b>3.15</b>	0	-4.1
Production	20.92	18.37	19.91	14.61	18.28	<b>17.62</b>	-0.66	3.01
Imports	0	0	0	0	0.01	<b>0.01</b>	0	0.01
Total Supply	23.68	22.57	24.77	21.86	21.44	<b>20.78</b>	-0.66	-1.08
<b>Use &amp; Ending Stocks (Million Bales)</b>								
Domestic	3.23	2.98	2.15	2.4	2.5	<b>2.55</b>	0.05	0.15
Exports	16.28	14.84	15.51	16.37	15.5	<b>15</b>	-0.5	-1.37
Total Use	19.5	17.81	17.66	18.77	18	<b>17.55</b>	-0.45	-1.22
U.S. Ending Stocks	4.2	4.85	7.25	3.15	3.4	<b>3.2</b>	-0.2	0.05
Foreign Stocks	76.54	75.1	90.05	85.26	82.33	<b>81.81</b>	-0.52	-3.45
Chinese Stocks	37.99	35.67	36.9	39.25	36.2	<b>36.45</b>	0.25	-2.8
<b>Price and Stocks to Use Ratio</b>								
U.S. Avg. Season Price (\$/lb)	\$0.686	\$0.703	\$0.596	\$0.663	\$0.90	<b>\$0.90</b>	\$0.00	\$0.24
U.S. Stocks/Use	22%	27%	41%	16.8%	19%	<b>18%</b>	-\$0.01	\$0.01
Chinese Stocks/Use	93%	90%	112%	98.1%	91%	<b>92%</b>	1.8%	-5.8%

Source: USDA-WASDE January 12, 2022

**World Cotton Supply and Use (Million 480 lb Bales) 2021/22 Marketing Year - Current Month**

Country / Region	Beginning Stocks	Production	Imports	Domestic Use	Exports	Loss	Ending Stocks
World	88.41	120.96	46.56	124.24	46.56	0.12	85.01
United States	3.15	17.62	0.01	2.55	15	0.03	3.2
Total Foreign	85.26	103.33	46.56	121.69	31.56	0.1	81.81
Cent. Asia	2.21	5.68	0.02	4.38	1.51	0	2.01
Afr. Fr. Zo.	1.81	6.17	0	0.13	6.03	0	1.81
Australia	2	5.5	0	0.04	4	0	3.47
Brazil	11.12	13.2	0.03	3.2	8.3	0	12.84
India	13.44	27.5	1	26	5.8	0	10.14
Mexico	0.43	1.05	1.08	1.9	0.25	0.03	0.38
China	39.25	27	9.75	39.5	0.05	0	36.45
E.U.	0.13	1.48	0.6	0.62	1.46	0	0.13
Turkey	2.71	3.8	5.2	8.5	0.65	0	2.56
Pakistan	2.27	5.8	5.5	11.2	0.05	0.03	2.29
Indonesia	0.5	0	2.5	2.5	0.01	0	0.49
Thailand	0.08	0	0.65	0.63	0	0.02	0.08
Bangladesh	2.9	0.15	8.3	8.8	0	0.01	2.54
Vietnam	1.12	0	7.5	7.5	0	0	1.13
ROW	5.29	6.01	4.42	6.79	3.45	0.00	5.49

**World Cotton Supply and Use (Million 480 lb Bales): Current-Previous Month (2021/22)**

Country / Region	Beginning Stocks	Production	Imports	Domestic Use	Exports	Loss	Ending Stocks
World	-0.17	-0.61	-0.38	-0.03	-0.39	-0.01	-0.72
United States	-	-0.66	-	0.05	-0.5	-0.01	-0.2
Total Foreign	-0.17	0.05	-0.38	-0.08	0.11	-	-0.52
Cent. Asia	-	-	-	-	-	-	-
Afr. Fr. Zo.	-0.21	-	-	-	0.05	-	-0.26
Australia	-	0.2	-	-	0.1	-	0.1
Brazil	-	-	-	-	-	-	-
India	-	-0.5	-	0.2	-	-	-0.7
Mexico	-	-	-	0.1	-0.05	-	-0.05
China	-	0.25	-0.5	-0.5	-	-	0.25
E.U.	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-
Pakistan	-	0.1	0.2	0.1	-	-	0.2
Indonesia	0.05	-	-	-	-	-	0.05
Thailand	-	-	-	-	-	-	-
Bangladesh	-	-	-	-	-	-	-
Vietnam	-	-	-	-	-	-	-
ROW	-0.01	-	-0.08	0.02	0.01	-	-0.11

Source: USDA-WASDE January 12, 2022

## Soybeans

***Futures Market Reaction:*** March 2022 soybean futures closed up 12  $\frac{3}{4}$  cents at \$13.99  $\frac{1}{4}$  with a trading range for the day of \$13.66  $\frac{1}{2}$  to \$14.01. November 2022 soybean futures were up 12  $\frac{1}{2}$  cents for the day closing at \$13.12  $\frac{1}{2}$  with a trading range for the day of \$12.80 to \$13.12  $\frac{1}{2}$ . The large reductions in South American production were largely factored into the market. Prices still found additional support based on USDA not waiting to make adjustments. Domestic production revisions indicated the benefits of late season rain on the US crop.

***USDA Summary:*** Soybean production is estimated at 4.44 billion bushels, up 10 million with gains for Iowa and Indiana. Harvested area is estimated at 86.3 million acres, down slightly from the previous report. Yield is estimated at 51.4 bushels per acre, up 0.2 bushels. Soybean supplies are raised 11 million bushels on higher production and slightly higher beginning stocks. With crush and export forecasts unchanged, ending stocks are projected at 350 million bushels. The U.S. season-average soybean price for 2021/22 is forecast at \$12.60 per bushel, up 50 cents, reflecting tighter global soybean stocks and lower production forecasts for Brazil, Argentina, and Paraguay. The soybean meal price is projected at \$375 per short ton, up 45 dollars. The soybean oil price forecast is unchanged at 65.0 cents per pound.

The 2021/22 global soybean outlook includes lower production, crush, exports, and stocks. Foreign soybean production is lowered 349 million bushels on reduced crops for Brazil, Argentina, and Paraguay. Brazil's soybean crop is lowered 184 million bushels to 5.1 billion, reflecting dry weather conditions in December and early January in southern Brazil. Argentina's crop is reduced 110 million bushels to 1.709 billion on both a lower area and yield, resulting in lower crush and exports of meal and oil. Paraguay's crop is lowered 55 million bushels to 312 million leading to lower exports mainly to neighboring countries. Global soybean stocks are reduced 250 million bushels to 3.498 billion on lower stocks for Brazil and Argentina.

	2017/18	2018/19	2019/20	2020/21 Est.	2021/22 Projected December	2021/22 Projected January	2021/22 Change from Previous Month	Change 2021/22- 2020/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	90.2	89.2	76.1	83.4	87.2	<b>87.2</b>	0.0	3.8
Harvested (Million)	89.5	87.6	74.9	82.6	86.4	<b>86.3</b>	-0.1	3.7
U.S. Avg. Yield (Bu/Acre)	49.3	50.6	47.4	51.0	51.2	<b>51.4</b>	0.2	0.4
<b>Supply (Million Bushels)</b>								
Beg. Stocks	302	438	909	525	256	<b>257</b>	1	-268
Production	4,412	4,428	3,552	4,216	4,425	<b>4,435</b>	10	219
Imports	22	14	15	20	15	<b>15</b>	0	-5
Total Supply	4,735	4,880	4,476	4,761	4,696	<b>4,707</b>	11	-54
<b>Use &amp; Ending Stocks (Million Bushels)</b>								
Crushing	2,055	2,092	2,165	2,141	2,190	<b>2,190</b>	0	49
Exports	2,134	1,752	1,679	2,265	2,050	<b>2,050</b>	0	-215
Seed and Residual	109	127	108	97	117	<b>118</b>	1	21
Total Use	4,297	3,971	3,952	4,504	4,356	<b>4,357</b>	1	-147
U.S. Ending Stocks	438	909	525	257	340	<b>350</b>	10	93
Foreign Stocks	3,200	3,297	2,988	3,413	3,408	<b>3,148</b>	-260	-265
<b>Price and Stocks to Use Ratio</b>								
U.S. Average Season Price (\$/Bu)	\$9.33	\$8.48	\$8.57	\$10.80	\$12.10	<b>\$12.60</b>	\$0.50	\$1.80
U.S. Stocks/Use	10.19%	22.89%	13.28%	2.62%	7.81%	<b>8.03%</b>	0.23%	5.41%

Source: USDA-WASDE January 12, 2022



**World Soybean Supply and Use (Million Bushels) 2021/2022 Marketing Year -  
Current Month**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Crush</b>	<b>Domestic Total</b>	<b>Exports</b>	<b>Ending Stocks</b>
World	3,670	13,689	6,189	11,968	13,776	6,274	3,498
United States	257	4,435	15	2,190	2,307	2,050	350
Total Foreign	3,413	9,254	6,174	9,778	11,469	4,224	3,148
Argentina	921	1,709	165	1,514	1,786	178	831
Brazil	1,027	5,107	17	1,734	1,832	3,454	865
Paraguay	6	312	0	114	120	193	6
China	1,267	603	3,674	3,564	4,288	4	1,252
E.U.	43	101	547	584	647	8	36
S.E. Asia	28	19	362	183	382	1	27
Mexico	4	11	228	235	237	0	6
ROW	117	1,391	1,180	1,850	2,177	386	125

**World Soybean Supply and Use (Million Bushels): Current-Previous Month  
(2021/22)**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Crush</b>	<b>Domestic Total</b>	<b>Exports</b>	<b>Ending Stocks</b>
World	3	-339	-50	-75	-77	-59	-250
United States	1	10	-	-	1	-	10
Total Foreign	2	-349	-50	-74	-79	-59	-260
Argentina	-	-110	-11	-29	-29	-18	-73
Brazil	-	-184	-7	-18	-18	-	-173
Paraguay	-	-55	-	-11	-11	-40	-3
China	-	-	-	-	-	-	-
E.U.	2	-	-4	-	-	-	-1
S.E. Asia	-	-	-2	-	-2	-	-
Mexico	-	-	-	-	-	-	-
ROW	-	-	-26	-16	-17	-	-9

Source: USDA-WASDE January 12, 2022

## Wheat

**Futures Market Reaction:** March 2022 wheat futures closed down 12 ½ cents at \$7.57 ¾ with a trading range for the day of \$7.53 ½ to \$7.70. July 2022 wheat futures closed down 14 cents at \$7.55 ¼ with a trading range for the day of \$7.52 ¼ to \$7.69. Domestic wheat prices are projected to remain strong due to limited supplies. Export reductions reflect a lack of price competitiveness in markets. Some of this lack of competitiveness can be attributed to proximity to markets and global logistical issues.

**USDA Summary:** The outlook for 2021/22 U.S. wheat this month is for smaller supplies, reduced domestic use, lower exports, and higher ending stocks. Imports are lowered 10 million bushels to 100 million on a slower than expected pace for Durum and Hard Red Spring. Feed and residual use is lowered 25 million bushels to 110 million on lower implied feed and residual use in the second quarter, based on December 1 stocks reported in today's NASS Grain Stocks report. Seed use is unchanged at 66 million bushels, reflecting the latest estimated seed use for winter wheat plantings in the fall of 2021 reported in today's NASS Winter Wheat and Canola Seedings report. Exports are reduced 15 million bushels to 825 million bushels with all the reduction in Hard Red Winter. U.S. wheat sales and shipments continue to be sluggish as U.S. wheat remains uncompetitive in several markets. Projected 2021/22 ending stocks are raised 30 million bushels to 628 million but still down 26 percent from last year and the lowest level since 2013/14. The season-average farm price is raised \$0.10 per bushel to \$7.15 based on NASS prices reported to date and expectations for prices in the remainder of the marketing year.

The 2021/22 global wheat outlook is for stable supplies, decreased consumption, reduced exports, and increased stocks. Production increases in Argentina and the EU are offset by decreased production in Brazil and Paraguay and lower beginning stocks for Russia. Argentina's production is increased 18 million bushels to a record 753 million on updated harvest results. Russian beginning stocks are lowered 22 million bushels on larger end-of-season exports in 2020/21. World 2021/22 consumption is lowered 70 million bushels to 28.936 billion, primarily due to lower feed and residual use for the United States, the EU, and Ukraine. Relatively higher wheat prices compared to feed grains are expected to reduce global feed use. Projected 2021/22 global trade is lowered 40 million tons to 7.51 billion as reductions in exports for Russia and the United States are only partially offset by higher exports from the EU. Russia recently announced a wheat export quota of 294 million bushels from mid-February until the end of June, which is expected to constrain their exports in the latter half of the marketing year. Russia's exports are reduced 37 million bushels to 1.286 billion while EU exports are raised 18 million bushels to 1.378 billion. Projected 2021/22 world ending stocks are raised 66 million bushels to 10.288 billion, with increases primarily for the United States, Russia, Kazakhstan, and Argentina. However, 2021/22 global ending stocks are still forecast at the lowest level since 2016/17.

	2017/18	2018/19	2019/20	2020/21 Est.	2021/22 Projected December	2021/22 Projected January	2021/22 Change from Previous Month	Change 2021/22- 2020/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	46.1	47.8	45.5	44.5	46.7	<b>46.7</b>	0	2.2
Harvested (Million)	37.6	39.6	37.4	36.8	37.2	<b>37.2</b>	0	0.4
U.S. Avg. Yield (Bu/Acre)	46.4	47.6	51.7	49.7	44.3	<b>44.3</b>	0	-5.4
<b>Supply (Million Bushels)</b>								
Beg. Stocks	1,181	1,099	1,080	1,028	845	<b>845</b>	0	-183
Production	1,741	1,885	1,932	1,828	1,646	<b>1,646</b>	0	-182
Imports	158	135	104	100	110	<b>100</b>	-10	0
Total Supply	3,080	3,119	3,116	2,957	2,601	<b>2,591</b>	-10	-366
<b>Use &amp; Ending Stocks (Million Bushels)</b>								
Food	964	954	962	961	962	<b>962</b>	0	1
Seed	63	59	60	64	66	<b>66</b>	0	2
Feed	47	88	97	95	135	<b>110</b>	-25	15
Exports	906	937	969	992	840	<b>825</b>	-15	-167
Total Use	1,981	2,039	2,087	2,111	2,003	<b>1,963</b>	-40	-148
U.S. Ending Stocks	1,099	1,080	1,028	845	598	<b>628</b>	30	-217
Foreign Stocks	9,325	9,333	9,848	9,767	9,624	<b>9,658</b>	34	-109
<b>Price and Stocks to Use Ratio</b>								
U.S. Avg. Season Price (\$/Bu)	\$4.72	\$5.16	\$4.58	\$5.05	\$7.05	<b>\$7.15</b>	\$0.10	\$2.10
U.S. Stocks/Use	55.48%	52.97%	49.26%	39.10%	29.86%	<b>31.99%</b>	2.1%	-7.1%

Source: USDA-WASDE January 12, 2022

**World Wheat Supply and Use (Million Bushels) 2021/22 Marketing Year - Current Month**

Country / Region	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	10,612	28,609	7,443	5,863	28,935	7,510	10,286
United States	845	1,646	100	110	1,138	825	628
Total Foreign	9,767	26,963	7,343	5,753	27,797	6,686	9,658
Argentina	79	753	0	2	237	496	100
Australia	159	1,249	7	184	312	937	166
Canada	209	796	26	103	290	551	189
E.U.	402	5,104	191	1,672	3,955	1,378	363
Russia	418	2,774	18	680	1,534	1,286	391
Ukraine	55	1,213	4	99	323	889	59
Bangladesh	79	42	272	22	310	0	82
Brazil	16	287	239	29	463	48	30
China	5,296	5,032	349	1,323	5,456	33	5,187
Japan	39	40	206	23	231	11	42
N. Africa	435	793	1,047	72	1,757	37	481
Nigeria	29	3	228	2	215	22	23
Sel. Mideast	351	643	880	151	1,475	26	372
Southeast Asia	204	0	957	265	931	43	187
India	1,021	4,024	1	257	3,831	193	1,023
Kazakhstan	54	441	37	46	222	265	45
U.K.	52	525	73	270	562	26	63
ROW	869	3,244	2,808	553	5,689	445	854

**World Wheat Supply and Use (Million Bushels): Current-Previous Month (2021/22)**

Country / Region	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	-30	26	-15	-38	-69	-39	65
United States	-	-	-10	-25	-25	-15	30
Total Foreign	-30	26	-5	-13	-44	-24	35
Argentina	-5	18	-	-	-	-	14
Australia	-	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-
E.U.	-	7	-	-9	-9	18	-2
Russia	-22	-	-	-	-	-37	15
Ukraine	-	-	-	-7	-7	-	7
Bangladesh	-	-	-	-	-	-	-
Brazil	-	-4	-	-	-	-	-4
China	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-
N. Africa	-	-	7	1	1	-	7
Nigeria	-	-	-	-	-	-	-
Sel. Mideast	-	-	-	2	2	-	-2
Southeast Asia	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-
Kazakhstan	7	-	7	-	-	-	15
U.K.	-	-	-	-	-	-	-
ROW	-11	4	-19	1	-30	-6	-14

Source: USDA-WASDE January 12, 2022

## January 2022 Profitability Update

### 2022 Estimated Returns - Non-Irrigated

The profitability outlook has been updated after the release of the January 12, 2022 USDA WASDE report. For the table below, non- irrigated yields are the estimated linear trend line yield for Tennessee from 2002-2022: 175 bushels per acre for corn; 50 bushels per acre for soybeans; 1,125 pounds per acre cotton; and 75 bushels per acre for wheat. Prices used for grain and cotton sales are based on current 2022 Tennessee harvest or cash prices provided by USDA AMS: corn - \$5.47/bu; cotton \$0.94/lb; soybeans - \$13.02/bu; and wheat - \$7.54/bu. Revenue estimates do not consider any government payments (crop insurance, ARC or PLC, MFP, CFAP etc.). Costs shown below are based on the 2022 UT Extension Row Crop budgets with adjustments made where warranted. Land cost was estimated as a cash rent at the USDA NASS state average of \$104 per acre. Substantial variation in land costs exist in Tennessee. Additional details on expenses can be found in the 2022 UT Crop Budgets.

Based on projected yields, prices, and expenses all crops are projected, in 2022, to have positive returns over specified costs. Corn, cotton, soybeans, and wheat/soybeans are showing a \$83, \$90, \$81, and \$103 per acre net returns. Producers with higher yields or lower cost structures may attain greater net returns over specified costs. The table below should be used as a guide as yields, prices, and expenses will vary among producers and locations. Expenses will also vary among producers and production systems. Please contact your local County Extension office or Area Specialist - Farm Management for assistance in developing a budget or financial plan for your farm.

	Cotton	Soybeans	Corn	Wheat/Soybeans
2022 Trend line Yield (lb or bu)	1,125	50	175	75 /40
Harvest Price (as of 01/12/2022)	\$0.94	\$13.02	\$5.47	\$7.54/\$13.02
Revenue	\$1,058	\$651	\$957	\$1,086
Variable Expenses	\$671	\$328	\$622	\$642
Returns Over Variable	\$386	\$323	\$336	\$444
Land Costs (Cash Rent - NASS State Average)	\$104	\$104	\$104	\$104
Returns Over Variable and Land Costs	\$282	\$219	\$232	\$340
Fixed Costs (Capital Recovery and Management Labor)	\$192	\$138	\$149	\$237
Returns Over Specified Costs	\$90	\$81	\$83	\$103
Breakeven Price at Estimated Yield and Specified Cost	\$0.86	\$11.40	\$5.00	\$6.55/\$12.29

## 2022 Estimated Returns – Irrigated

The profitability outlook has been updated after the release of the January 2022 USDA WASDE report. For the table below, irrigated yields were estimated as: 230 bushels per acre for corn, 65 bushels per acre for full-season soybeans, and 1,400 pounds per acre cotton. Prices used for grain and cotton sales are based on current 2022 Tennessee harvest or cash prices provided by USDA AMS: corn - \$5.47/bu; cotton \$0.94/lb; soybeans - \$13.02/bu; and wheat - \$7.54/bu. Revenue estimates do not consider any government payments (crop insurance, ARC or PLC, MFP, CFAP etc.). Costs shown below are based on the 2022 UT Extension Row Crop budgets with adjustments made where warranted. Irrigation fixed costs and energy costs will vary greatly among producers and irrigation systems. Land cost was estimated as cash rent of \$180/acre (USDA NASS state average for Tennessee). Substantial variation in land costs exist in Tennessee. Additional details on expenses can be found in the 2022 UT Crop Budgets.

Based on projected yields, prices, and expenses all commodities are projected to have positive returns over specified costs. Corn, cotton, soybeans, and wheat/soybeans are showing returns of \$2, \$48, \$7, and \$75 per acre net returns. Producers with higher yields or lower cost structures may attain greater net return over specified costs. The table below should be used as a guide as yields, prices, and expenses will vary among producers and locations. Expenses will vary among producers and production systems. Please contact your local County Extension office or Area Specialist - Farm Management for assistance in developing a budget or financial plan for your farm.

	Cotton	Soybeans	Corn	Wheat/Soybeans
Estimated Yield (lb or bu)	1,400	65	230.4	85/55
Harvest Price (as of 01/12/2022)	\$0.94	\$13.02	\$5.47	\$7.54/\$13.02
Revenue	\$1,316	\$846	\$1,261	\$1,357
Variable Expenses (includes energy cost)	\$759	\$387	\$795	\$715
Fixed Irrigation Costs per Acre	\$102	\$102	\$102	\$102
Returns Over Variable & Fixed IR Costs	\$455	\$357	\$364	\$540
Land Costs (25% of Revenue)	\$180	\$180	\$180	\$180
Returns Over Variable, IR Fixed Cost and Land Costs	\$275	\$177	\$184	\$360
Fixed Costs (Capital Recovery and Management Labor)	\$227	\$171	\$182	\$285
Returns Over Specified Costs	\$48	\$7	\$2	\$75
Breakeven Price at Estimated Yield and Specified Cost	\$0.91	\$12.92	\$5.47	\$7.54/\$11.65