



Winter Lunch & Learns

Session One

Market Intelligence

January 17th, 2024

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Grain and Organic Grain Merchant





What We Know Today & What We Are Watching

1) What did the January 12th USDA tell us?

- A) Bearish tone for soybeans and corn.
- B) Neutral wheat.
- C) Corn yield was pegged at 177.3 and soybeans pegged at 50.6.

2) US Weather

Rain – From South Carolina to Maine, causing flooding and evacuation.

Blizzard – Alaska, Colorado, Kansas, Nebraska, South Dakota, Wyoming.

Eastern and Western corn belt have mixed precipitation.

HRW Belt – KS, OK, TX. Wind and colder temperatures brought over the weekend.

4) South American Weather

-Will rain continue or dryness patterns?

5) China Buying

China's interest in purchasing additional corn and soybeans. Will this equate to any export support?





Exports

The international seaway was scheduled to close on January 4th, 2024. This will be the latest the seaway has stayed open in sixty – four years.

Ontario grain is exported annually with a total of 29.0% among commodities. Soybeans are the largest Ontario commodity exported at 53.0% to countries such as Japan and Malaysia.

Corn

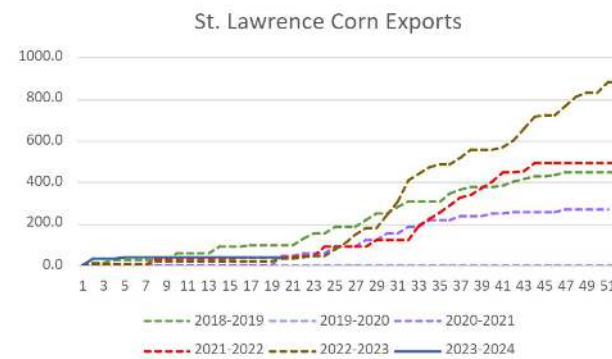
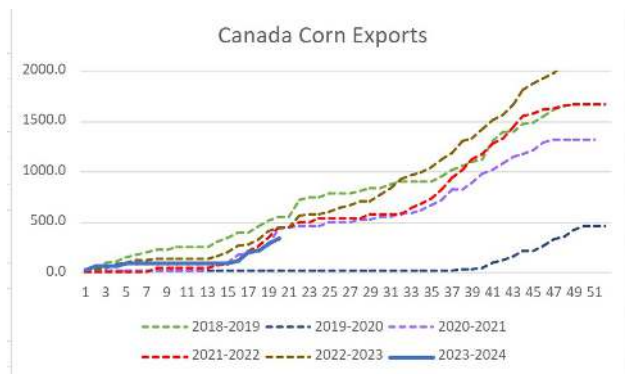
- Basis levels have strengthened because the producer is not a seller. There is a lot of corn in Ontario to move through to new crops. Watch for spot basis opportunities.
- Compared to 2022 Ontario exports are down substantially. Refer to the charts below. (The top countries we export to are; the USA, Spain, and Portugal.)
- Reportedly the US corn production is up year over year by 10.2% with the Russian crop also weighing in on export competitiveness.
- Though it is a bit early to tell where the first crop in Brazil will shake out, estimators are predicting a production decline of 9.0% due to adverse weather. Brazil's first corn crop accounts for roughly 19.0% of its total production in 23/24.

South American calendars are available.





Export Charts





Common Grain Vessel Sizes

HANDYMAX



180 meters or about **2** American football fields

1.2 to 1.6 million bushels of corn/sorghum (30,000 to 40,000 tons) or about **400** rail cars



x400

SUPRAMAX



190 meters or about **2** American football fields

2 to 2.4 million bushels of corn/sorghum (50,000 to 60,000 tons) or about **600** rail cars



x600

ULTRAMAX



200 meters or about **2.2** American football fields

2.4 to 2.6 million bushels of corn/sorghum (60,000 to 65,000 tons) or about **650** rail cars



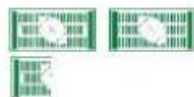
x650

PANAMAX



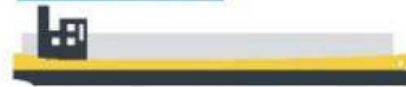
225 meters or about **2.5** American football fields

2.1 to 2.3 million bushels of corn/sorghum (54,000 to 59,000 tons) or about **590** rail cars



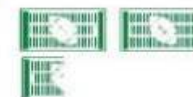
x590

KAMSARMAX



229 meters or about **2.5** American football fields

2.8 to 3.2 million bushels of corn/sorghum (70,000 to 82,000 tons) or about **820** rail cars



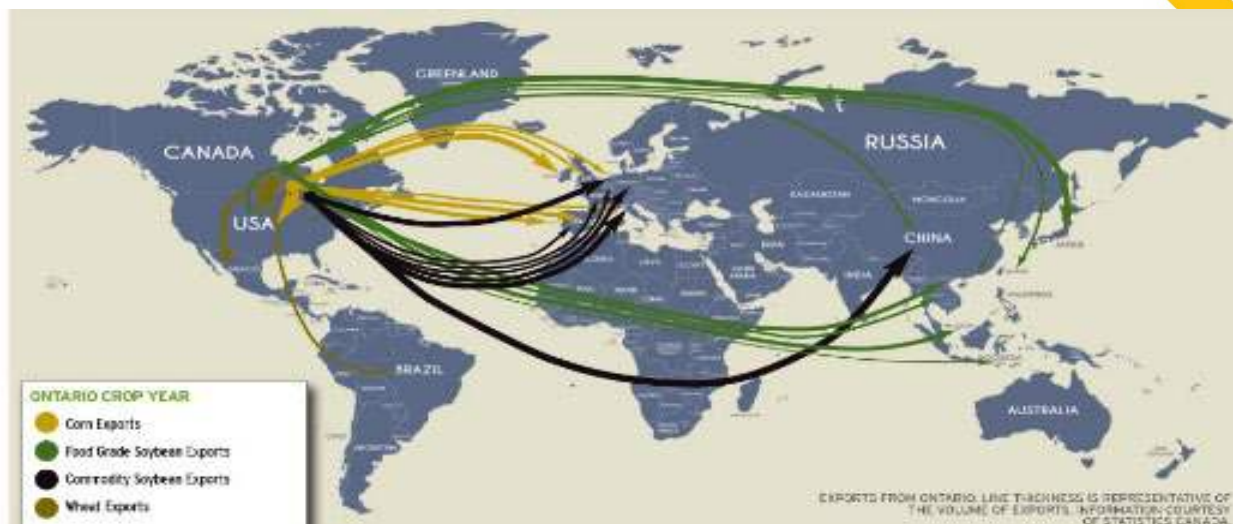
x820



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- On the first slide I mentioned that a total of 53.0% of Ontario's soybean crop is exported annually.
- Due to our seaway opportunities, we had a very competitive harvest and it seemed like Ontario harvest product buying picked up from other countries. As we neared the seaway closing their values began to widen out.
- Roughly to ship a container today to Japan is \$2000/20'. Which is significantly lower than in the past 12 to 18 months. COVID was one reason for higher values.
- South American weather is always a key fundamental factor we watch through January to and including April as it can affect how futures move. There is still over a month from when Brazil will start their harvest and closer to four months before Argentina will begin theirs. Some meteorologists are noting rain currently in South America whereas others are not. The six-to-twelve-day forecasts will be key to our futures market. Currently, they're predicting Argentina's January temperatures on the upside of 25 degrees and 107 mm of rainfall, and for Brazil 30-degree temperatures with 203 mm of rainfall throughout the month.
- Overall, both Brazil and Argentina are on pace of having a larger crop.

Exports

Soybeans





Exports



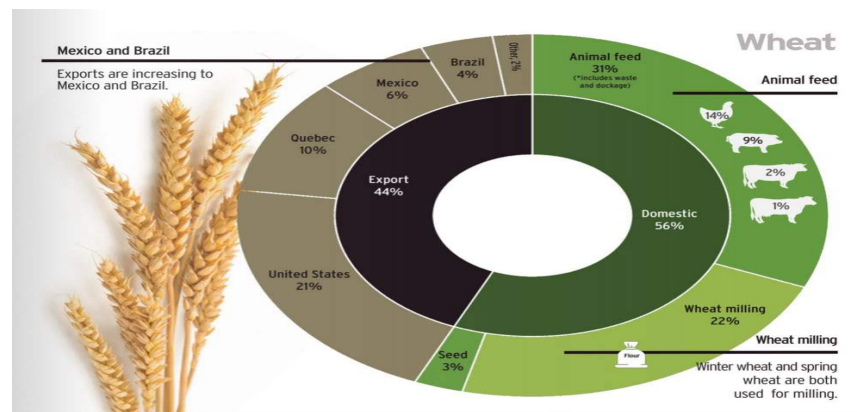
Falling Number

Low Falling Number- This occurs when a crop could have been left in the field and begins to germinate. It can affect a bakery product both in fermentation and bread structure.

High Falling Number – This occurs when the crop is harvested timely, weather and storage moisture.

Wheat

- Ontario had a lower milling quality harvest due to excessive precipitation in some areas as well as some will say the forest fires played a role in smoke coverage through the reproduction stages. These factors caused both higher sprout counts and lower falling numbers.
- Wheat exports from Ontario account for about 44.0% of our crop. With 21.0% of that exported to the US.



Risk Management Options/Discussion Lastly...

Did you know you can
do a one-bushel
market order?

Market Orders

A quarter of each of my crops are
on market orders. Entered one
month after the crop is planted.

Freedom Tools

- Managed Tools
- Technical Tools
- Structured Tools

(Join us on
February 28th,
2024, for
additional details
on individual
programs)

Addendum Averaging Program

Flat Prices

- Like the current price.

Basis Contracts

- Locking in basis if you're
concerned it could decrease.
Caution to the month you enter to
limit roll fees.

*Continue to follow seasonals for
pricing periods.*



What's New at The Andersons Canada

Suncor Ethanol Plant



- 1) The largest Ethanol plant in Canada, that receives over one hundred trucks per day of corn, producing four million liters per year.
- 2) The Andersons have been originating the corn into this plant since December of 2022.
- 3) From the corn delivered it is processed into ethanol, corn oil for biofuels as well as DDG for animal feed.





What's New at The Andersons Canada

Hensall Corn Plant

- 1) Producing corn for Mars Canada – Pet Food Line.
- 2) Shipping 20,000 to 25,000 bushels a week of corn to Mars Canada.





THANK YOU

