

MORNING GRAIN COMMENTARY

Morning Trends:

Corn: 1 to 2 lower
Wheat: 1 to 3 higher
Soybeans: 1 to 3 higher
Soy Meal .5 to 1.0 higher
Soy Oil: 5 to 10 higher

The Stories of the Day:

In the Covid-19 era sometimes you just need to see a rainbow
<https://www.msn.com/en-us/travel/tripideas/youre-most-likely-to-see-a-rainbow-in-these-10-places/ar-BB18noEe?li=BBnb7Kz>
Hurricanes tracker <https://www.msn.com/en-us/weather/severeweather/hurricanes>

Weather:

A ridge is located in the Four Corners region with a trough in eastern Canada and a disturbance in the Canadian Prairies. The trough will be reinforced by another disturbance moving through Canada late this week and into the weekend. A strong trough will move into western Canada this weekend, spreading across central Canada and the north-central U.S. next week. The trough will displace the ridge into the Southeast while another ridge builds off the West Coast. Hurricane Laura will come ashore Wednesday night near Port Arthur, TX. The U.S. and European models are in fair agreement through the period. I will use a blend of the models. For the outlook period, temperatures on Monday will be above normal across the Southwest and near to below normal elsewhere. Temperatures are expected to fall across the middle of the country as the trough moves into the area, while the West and East Coasts will rise above normal. A strong front will move across the middle of the country Monday and Tuesday with widespread moderate to heavy showers. An additional storm may develop and bring moderate to heavy showers over the north late next week. -DTN

NORTHERN PLAINS (SPRING WHEAT/CORN): Scattered showers through Thursday will benefit filling corn but cause some harvest delays to wheat. A strong system over the weekend will bring moderate to heavy rainfall and potentially strong winds, which could be damaging. -DTN

CENTRAL/SOUTHERN PLAINS (CORN/COTTON): Soil moisture continues to be favorable for filling corn in most areas outside of northeast Nebraska and the far west. West Texas continues to have low rainfall chances, stressing remaining boll setting cotton and requiring further irrigation. -DTN

MIDWEST (CORN/SOYBEANS/WHEAT): Showers will be confined mostly to northern and far eastern areas Wednesday, continuing to stress filling corn and soybeans in the drier central portions of the region. Relief comes Thursday through Saturday. A front will slip southward through the region and likely be aided by tropical moisture from the remnants of Hurricane Laura. Heavy moisture could make its way north of the I-80 corridor, but models are mixed on if that will include Iowa or not. A two-part frontal system will move through early next week with more widespread rainfall. -DTN

DELTA (SOYBEANS/COTTON): The remnants for Hurricane Laura may bring heavy precipitation and flooding to the area, with 4-6 inches of rainfall and isolated heavier amounts possible along its path. Its current track is west of the region and then across the north Thursday and Friday but moderate to heavy bands may go right through the region. While filling crops would benefit from the moisture, it could be too much for filling cotton and soybeans. More mature crops may see quality fall should flooding occur. -DTN

SOUTHEAST (COTTON): Scattered showers continue to benefit filling cotton. Hurricane Laura will take a path west of the region, but it will increase moisture into the area and could bring heavier rainfall across northern areas over the weekend as the remnants pass by. -DTN

BRAZIL (CORN/COTTON/WHEAT): Temperatures below freezing from Rio Grande do Sul to Parana and maybe in portions of Mato Grosso do Sul may have damaged developing to reproductive wheat in the region over the weekend. Full-season corn is being planted in the south. Soil moisture is looking good for germination, but limited shower activity is expected this week with only isolated showers late this week in Rio Grande do Sul.

Wednesday, August 26, 2020

Showers are starting to pop up over the Amazon and a return to the wet season is on the horizon for central and northern growing areas as harvest wraps up and preparations for planting begin.

ARGENTINA (WINTER WHEAT): Scattered showers continue for the very dry interior Wednesday, working northward for the end of the week and into next week. The showers combined with above normal temperatures may be enough to coax the crop out of dormancy, though temperatures drop again late this weekend and into early next week. Still, the rainfall will be quite welcome across the country.

EUROPE (SPRING GRAINS/CORN): The storm track will be right through the continent this week, with a few storms lining up to bring showers to the region. Storms may even be cut off over the middle of the continent next week with continued showers. Beneficial conditions are expected for filling crops for all but the southwest growing areas, mainly Spain and Italy. Maturing crops will have to dodge multiple periods of showers and early harvest activities will likely be impacted. -DTN

UKRAINE/WEST RUSSIA (SPRING GRAINS/CORN/SUNFLOWERS): Dryness has been a concern for much of the region this summer. The drier areas from central Ukraine through southern Russia will see isolated showers move through with Thursday through Saturday, but amounts look to be light. Harvest activities will benefit while filling corn and sunflowers will continue to show stress in many areas. -DTN

CANADIAN PRAIRIES (SPRING WHEAT): Periods of scattered showers will continue as the storms track is right through the region for the next week. Conditions look more favorable for harvest in the southwest. A strong storm this weekend into early next week will likely cause widespread rainfall, strong winds, and falling temperatures into next week. -DTN

AUSTRALIA (WINTER WHEAT/RAPESEED): Queensland could use more rainfall for developing to reproductive wheat and rapeseed. Very little rain is expected across the country for the next week. Otherwise, favorable conditions continue elsewhere across the country. -DTN

CHINA (CORN/SOYBEANS/SUGARCANE/RICE): Overall favorable conditions are found in the northeast for reproductive to filling corn and soybeans and in the south for rice and sugarcane. Typhoon Bavi will make its way into northeast China Wednesday and Thursday with heavy rainfall and wind damage. -DTN

INDIA (SUGARCANE/RICE/COTTON/SOYBEANS): Monsoon moisture continues to spread across the country but is lighter than normal in the south. Still, conditions are favorable across most of the region. The outbreak of locusts has started to become contained as swarms migrate westward and control measures are reported to be working. Extensive damage has still been reported for all crops in the region, however. -DTN

Headlines:

- Malaysian November Palm Oil up 27 Ringgits
- Dalian Futures exchange Jan corn up 14 vs. the Yuan, Jan beans down 35, Jan meal up 19, Jan bean oil down 8
- Asian Equity markets were mixed to lower Nikkei closed down .1% China's Shanghai down 1.3%
- European Equity markets start mixed, German Dax up .2%, London FTSE 100 down .2%
- MATIF markets are mixed Nov Corn down .25 to the Euro, Nov Rapeseed down .25, Dec Wheat unchanged
- Save the Date...Aug 27th...2Q US GDP...expected -32.4%
- Save the Date...Aug 27th...Weekly Jobless Claims expected at 1.045 million new claims
- Save the Date...Aug 31st...First Notice Day for Sept Ags CME/MGEX

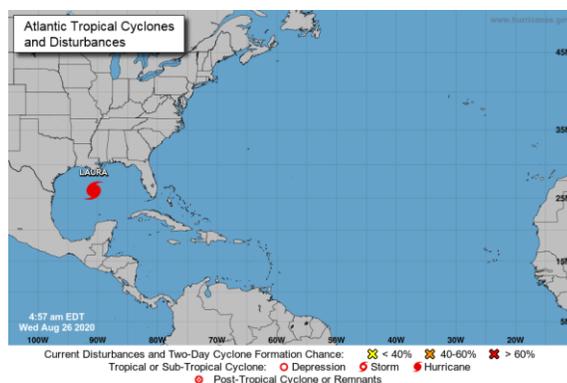
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- Save the Date...Sept 4th...US employment numbers
- Save the Date...Sept 7th...US Labor Day
- Save the Date...Sept 11th...US S&D numbers
- FAW in China send in the drones http://www.xinhuanet.com/english/2020-08/25/c_139317302.htm
- The upside to locust <https://www.forbes.com/sites/kelseyatherton/2020/08/25/locust-bomb-sniffers-just-the-latest-military-insect-cyborg/#4e1db7fb3efa>
- China keeps saying they have no food/feed grain reserve issues we think they protest too much, <https://www.yicai.com/news/more-food-price-rises-unlikely-hoarding-may-lead-to-losses-china-agro-ministry-says>
- China flood control put to the test <https://news.yahoo.com/china-floods-raise-concerns-over-161432639.html?ocid=uxbndlbing>
- Libya Civil War, is there a small window to peace <https://www.msn.com/en-us/news/world/libya-e2-80-99s-civil-war-has-a-rare-shot-at-peaceful-ending/ar-BB18nt6z>
- Today at 9:30 AM CDT EIA WoW energy stocks numbers will be out...expected crude oil stocks down 3.80 million barrels, gasoline stocks down 1.70 million barrels...API numbers last night had their stocks down WoW for crude oil at 4.5 million and gasoline stocks down 6.4 million barrels

Commentary:

Depending on how much and how much coverage of rain the Corn Belt gets to end the work week and weekend will go a long way to telling us if we are close to the supply side bull's favorite game, "Yield Limbo...how low can you go?" For much of July and most of August the Supply side bear drove the narratives of the corn and bean markets. Weather and USDA crop ratings suggested that the national corn yield would soar well over 182.0 bushels an acre for corn and over 52.0 bushels an acre for beans. Supply side bears had visions of 3.0 billion bushel corn carryout and over 550 million bushel bean carryout. But this is a Solar Minimum year where flash floods and flash droughts can appear within a signal crop cycle. The IA Derecho and the poor finishing weather for the gut slot of the Corn Belt suddenly has yield guesses in jeopardy. With the ProFarmer Tour behind us and the Sept 11th USDA report looming it will be interesting to see the adjustments private analyst will make to their corn and bean yield numbers starting next week. Its Limbo time everybody.

The Mean Season: Laura blowing up, could come ashore in SW LA as a Cat-4



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