

## MORNING GRAIN COMMENTARY

### Morning Trends:

As of 4:30 AM CDT

**Corn: 1 around**

**Wheat: 6 to 8 lower**

**Soybeans: 2 to 4 higher**

**Soy Meal: .5 around**

**Soy Oil: 35 to 40 higher**

### The Stories of the Day:

**Frozen Pipes?** <https://www.msn.com/en-us/weather/topstories/if-pipes-are-frozen-should-you-leave-the-faucet-on-heres-how-to-thaw-pipes-during-winter-storms/ar-BB1dJrRC?li=BBnbfcL>

**She's Back** <https://www.msn.com/en-us/news/world/wife-of-north-koreas-kim-jong-un-reappears-after-a-year-out-of-the-public-eye/ar-BB1dKB1D?li=BBnb7Kz>

**Weather:** There is a broad trough across much of the country that will lift northeast at the end of the week. A series of weaker troughs will follow behind it this weekend into next week. The U.S. and European models are fairly similar with the upper level pattern but there are some key differences in how they treat storm systems. I will use a model blend but favor the European. For the outlook period, temperatures on Monday will be near to below normal across the south and near to above normal across the north. Temperatures will rise across the east and fall across the west through the period. A system will move across the East early next week. A stronger system may develop over the middle of the country in the middle-to-end of next week, though models are unsure about its development. -DTN

**NORTHERN PLAINS (LIVESTOCK):** Temperatures have bottomed out and are now on the rise for the remainder of the week into the weekend. Recent conditions have been stressful for livestock, but will be improving. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK):** Moderate to heavy snow fell across a wide portion of the region over the holiday weekend as temperatures plunged into record territory. Any exposed winter wheat has been at risk for damage. Another system will produce more showers Wednesday across the south. Afterward, temperatures will be on the increase into the weekend. Dry spots in the southwest remain and did not receive as much precipitation as was forecast and remain in drought. -DTN

**MIDWEST (WINTER WHEAT):** A couple of systems produced light precipitation over the holiday weekend, with a storm on Monday bringing moderate to heavy precipitation to the southeastern half of the region. Temperatures nearing zero Fahrenheit also made it down to the winter wheat belt in southern Illinois and Indiana, where some damage may have occurred before the heavy snow came in. A system may produce more moderate to heavy snowfall across the eastern portions of the region later this week. Afterward, temperatures will be on the rise toward above normal territory for next week. -DTN

**BRAZIL (CORN/SOYBEANS):** Scattered showers fell across the bulk of the country over the holiday weekend. This has caused delays in soybean harvest and safrinha corn planting but improved conditions for recently planted corn. Showers will continue over central and northern areas, creating further delays. But southern areas will dry out with low chances for showers over the next 10 days. This will improve fieldwork, but the lack of showers could be concerning for newly planted corn. -DTN

Wednesday, February 17,  
2021

**ARGENTINA (CORN/SOYBEANS):** Scattered showers popped up over the holiday weekend, improving soil moisture for reproductive to filling corn and soybeans. The showers also occurred over Cordoba, which was at more risk of missing out. Shower chances will be low for the next week, though a front will produce showers over southern areas Thursday into Friday. Areas to the north that are more mature will have good conditions for harvest, but the dryness will cause some concern for less-developed crops. -DTN

**EUROPE (WINTER WHEAT):** Scattered showers fell over the holiday weekend, especially across eastern areas. Temperatures also plunged well below normal and neared zero Fahrenheit in Ukraine, though most areas are snow-covered. The arctic air will be pushed eastward later this week and weekend. Recent showers have maintained adequate to surplus soil moisture for dormant winter crops in the north and vegetative winter crops across the south. -DTN

**NORTHERN AFRICA (WINTER WHEAT):** Scattered showers occurred over eastern areas over the holiday weekend, but were absent in the west. This week is likely to be rather dry. Soil moisture is currently adequate but the dryness could cause concern if showers do not return this weekend. -DTN

**SOUTH AFRICA (CORN/SUGARCANE):** Heavy showers fell across eastern areas this weekend as a tropical cyclone moved onshore over southern Mozambique. The cyclone will remain close to shore through the week but the showers will be focused closer to the storm, leaving the region drier. Still, adequate to surplus soil moisture continues in the region for developing sugarcane and reproductive to filling corn. The tropical cyclone will need to be watched if it makes a move to the southwest. -DTN

**AUSTRALIA (COTTON/SORGHUM):** Widespread moderate to heavy showers moved through the region over the weekend, improving soil moisture for cotton and sorghum. Some coastal showers will be possible through the week, but much of the croplands will be dry. Still, conditions are rather favorable for both crops. -DTN

**MALAYSIA/INDONESIA (PALM OIL):** Showers have started to disappear from Malaysia, but continue in a more isolated fashion in the oil palm areas of Indonesia for the next week. This may start to be a concern for the crop. -DTN

## Headlines:

- Malaysian May Palm Oil closed up 99 Ringgits
- Dalian Futures exchange closed for Holidays most of the week for spring holidays
- Asian Equity markets mostly lower Nikkei down .6%, Shanghai closed for spring holidays
- European Equity markets start lower German Dax down .5%, London FTSE 100 down .2%
- MATIF markets are lower June Corn down .25 to the Euro, May Rapeseed down 1.25, May Wheat down .75
- Save the Date...Feb 16<sup>th</sup>...MLB camps start to open...maybe...Cactus league asking for a delay
- Save the Date...Feb 25<sup>th</sup>...4Q GDP
- Save the Date...March 4<sup>th</sup>...OPEC meeting expected rise in production quotas
- Save the Date...March 5<sup>th</sup>...US Employment numbers
- Save the Date...March 9<sup>th</sup>...USDA S&D numbers
- Save the Date...March 14<sup>th</sup>...US moves to Daylight Savings Time
- Indian Farm Strike the latest <https://www.msn.com/en-in/news/other/to-avoid-jat-backlash-nadda-shah-discuss-farm-stir-with-leaders/ar-BB1dJUPf>

Wednesday, February 17,  
2021

- ASF no idea where this is but it sounds bad <https://www.observer.ug/news/headlines/68508-swine-fever-kills-over-500-pigs-in-kitgum-pork-eating-banned>
- Bird Flu now this sounds like India <https://www.msn.com/en-in/news/other/bird-flu-outbreak-at-pong-dam-over-hp-minister/ar-BB1dKqp0>

## Commentary:

Making the rounds yesterday was the USDA Agricultural Projections to 2030, <https://www.usda.gov/sites/default/files/documents/USDA-Agricultural-Projections-to-2030.pdf>. Within in this report the USDA projected corn acre for 2021 at 90.0 million and bean acres at 89.0 million. The Outlook Conference that will discuss this report starts Thursday. Given that many of us in the trade feel corn acres will be over 93.0 million and beans acres over 90.0 million at first blush this report seems to be bullish. What we need to remember is that the numbers compiled within this report were established back in Oct and Nov. To say the least we live in a different world here in Feb. So, the report as hard news is dated and is a piece of ancient history. The Conference however remains the starting point for the work week. The Conference will have updated assumptions on planted acres and hence will be the jumping off point for the 2021 Great Battle for Spring Planted Crops in North America. Once the trade has a working range of guesses for spring acre numbers the trade will shift focus to early springtime weather and how the weather might impact early planting efforts. The bottom line the USDA Conference Outlook is like a starters pistol at a track meet, the marathon of the 2021 N. Hemisphere Growing Season has begun.

An investment in futures contracts is speculative, involves a high degree of risk and is suitable only for persons who can assume the risk of loss in excess of their margin deposits. You should carefully consider whether futures trading is appropriate for you in light of your investment experience, trade objectives, financial resources, and other relevant circumstances. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.