

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 4:30 AM CST

Corn 3 to 5 lower

Wheat 4 to 6 lower

Beans 1 to 3 higher

Soy Meal .5 around

Soy Oil 20 to 25 higher

### The Stories of the Day:

**Iraq more missiles** <https://www.msn.com/en-us/news/world/rockets-land-at-iraqi-air-base-hosting-us-forces/ar-BB1ebnCQ?li=BBnb7Kz>  
**To find a job** <https://www.msn.com/en-us/news/us/vaccine-angels-can-only-do-so-much-us-struggles-to-make-it-easier-to-find-covid-19-vaccination-appointments/ar-BB1e9ah6?li=BBnb7Kz>

**Weather:** A progressive pattern over the next 10 days will see several systems moving through the country. Stronger storms will be possible in the extended period. The U.S. and European models are fairly similar. I will use a model blend but favor the European. For the outlook period, temperatures on Monday will be near to above normal in the Central and near to below normal along all the coasts. The progressive pattern will bring some variable temperatures, but a cool-west and warm-east pattern is expected to develop by the end of next week. A system will likely develop over the middle of the country in the middle of next week, followed by another at the end of next week and weekend. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT):** Dry and warm conditions are expected through early next week. This will continue to build the dryness and drought in the region as we head toward spring. However, a storm system may develop in the middle of next week, bringing much needed precipitation. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Scattered showers will move through the region Thursday and Friday, which may keep the drought from getting worse but will not improve conditions dramatically. A series of system are expected next week that will likely miss dry sections in the west, but bring scattered showers to the north and east, possibly easing drought. With daytime highs getting into the 60s Fahrenheit, soil temperatures are getting warm enough for winter wheat to break dormancy and the moisture from these systems will be important. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** Temperatures above normal may have started to coax winter wheat out of dormancy in a few areas as soil temperatures are getting into the 40s Fahrenheit. These areas have adequate to surplus soil moisture. Very little precipitation is expected for the next 7 days and drought may worsen until a system moves through in the middle of next week. -DTN

**DELTA (SOYBEANS/COTTON):** Heavy showers over the last week have bogged down soils and produced some flooding across the region, putting delays into early fieldwork and spring planting. Dryness over the next week should help to drain soils. -DTN

**BRAZIL (CORN/SOYBEANS):** Showers continue from Mato Grosso to Rio Grande do Sul for the next couple of days, but a system moving northward will bring a front through the area late this week and weekend. The front

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will spread showers further east while clearing out southern areas. The widespread showers will likely cause more delays for soybean harvest and safrinha corn planting, though producers have been working around the showers over the past couple of weeks. Rainfall will be more important for soil moisture as we head toward autumn. -DTN

**ARGENTINA (CORN/SOYBEANS):** Pop-up showers over the next few days will not be able to bring much relief to the dryness that has occurred over the last couple of weeks. This continues to cause concern for immature corn and soybeans. -DTN

**EUROPE (WINTER WHEAT/CORN):** Recent warm temperatures have allowed for snowmelt to continue, though crops remain dormant in good shape. Across the south, conditions have remained mostly favorable for vegetative wheat, though dryness in Italy over the last week has decreased soil moisture. A front will move through the eastern half of the continent late this week with cold air filtering in behind it, though not damaging to any wheat that may be starting to come out of dormancy. -DTN

**UKRAINE/RUSSIA (WINTER WHEAT/CORN):** Winter wheat went into dormancy in poor shape last autumn. Precipitation over the winter has been near to above normal for most places, however, putting the region in better shape as we head toward spring. Warm temperatures have allowed for snowmelt to occur across a wide area. A front moving through later this week will produce some showers and bring in some colder air but will not be damaging to any wheat as it remains mostly dormant. -DTN

**NORTHERN AFRICA (WINTER WHEAT):** Scattered showers will filter in across the region through the weekend. Amounts may not be impressive but will be welcome as dryness has hurt developing wheat in Algeria and Tunisia especially. -DTN

**SOUTH AFRICA (CORN/SUGARCANE):** Isolated showers over the next week will not bring much precipitation, but soil moisture continues to be adequate to surplus, benefiting developing sugarcane and reproductive to filling corn. -DTN

**AUSTRALIA (COTTON/SORGHUM):** Dryness this week has lowered soil moisture, but showers look to return next week. Conditions continue to be mostly favorable for cotton and sorghum. -DTN

**MALAYSIA/INDONESIA (PALM OIL):** Isolated showers started to pop back up in Malaysia but are very isolated and mostly light, continuing a dry trend over the last couple of weeks. Isolated showers will likely continue this week. Showers have been more scattered in Indonesia, where concern is lower for oil palm prospects. -DTN

## Headlines

- > Malaysian May Palm Oil up 37 Ringgits
- > Dalian Futures Exchange were mostly lower May corn down 1 to the Yuan, May beans up 163, May meal down 2, May bean oil down 26, May palm oil down 102
- > Asian Equity Markets were higher, Japan's Nikkei up .5%. China's Shanghai up 2.0%
- > European Equity Markets are higher, German Dax up .9%, London FTSE up 1.2%
- > MATIF Markets are mixed, June corn down .25 to the Euro, May Rapeseed up .50, May wheat down 1.0
- > Save the Date...March 4th...OPEC meeting, expected to raise production quotas
- > Save the Date...March 5th...US Employment Numbers...expected 218,000 non-farm jobs created in Feb...MoM unemployment rate unchanged at 6.3%

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- > Save the Date...March 9th...USDA S&D Numbers
- > Save the Date...March 14th...US moves to Daylight Savings Time
- > Save the Date...March 15<sup>th</sup>...NOPA Crush
- > Save the Date...March 17<sup>th</sup>...Happy FOMC Meeting Results
- > Save the Date...March 31<sup>st</sup>...USDA Quarterly Grain Stocks/Perspective Plantings Reports
- > COVID-19 and you thought spring time flooding was just a crop issue <https://www.msn.com/en-us/news/us/covid-19-vaccines-rescued-by-boat-amid-severe-flooding/ar-BB1ebhxw>
- > ASF still being found in China <https://www.nasdaq.com/articles/china-confirms-swine-fever-in-piglets-in-yunnan-province-2021-03-02>
- > Locust, this is just too weird <https://newatlas.com/robotics/locust-ear-robot-cyborg/>
- > Bird Flu vaccine update <https://www.marketwatch.com/press-release/global-avian-influenza-vaccines-market-2020-research-strategies-trend-and-future-development-status-forecast-by-2025-2021-03-02>
- > Fall Armyworm update <https://entomologytoday.org/2021/03/02/managing-fall-armyworm-africa-integrated-pest-management/>
- > The trip wire to Mexican winter droughts... Butterflies <https://abcnews.go.com/International/wireStory/monarch-butterflies-26-mexico-wintering-grounds-76119539>
- > Inflation is a lot like the wind you many never know where it comes from but you always know which way it is blowing...API numbers last night had WoW crude oil stocks up 7.4 million barrels while gasoline stocks were down 9.9 million barrels...for the first time since the Pandemic gasoline prices at the pump in CA are starting to breach the 4-dollar level...the point here when the record cold temps arrived in TX many a refinery did not shut down well and hence coming back online might take longer than expected...just saying
- > CME March Ag Deliveries KC Wheat 0, Chicago Wheat 0, Corn 0, Beans 0, Meal 1, and 0 bean oil

## Commentary

Our business is based on risk/reward. And we all know the biggest risk taker of them all is the farmer. The farmer who year in and year out bets their entire net worth on planting a seed in dirt. With skyrocketing prices, food inflation on the rise one would think this is a good year to be a farmer. That said supply chain choke points caused by weather and Covid means this year the farmer to be a successful risk taker will have to really hone their problem solving skills. Because of expected expanded acres around the N. Hemisphere combined with Covid related hiccups in production for key synthetic inputs for crops key inputs for spring planted crops are in tight supply and have seen a rapid price increase. On top of that at times record cold temperatures in the US this winter has slowed the production of nitrogen based fertilizers. The bottom line this spring there might be added hurdles for the farmer to achieve trendline yields. Springtime weather will take on new meanings as the farmer to manage high cost and potential scarcity of inputs will have to apply all of their problem solving skills. The great 2021 Weather Markets are here and with it new types of challenges.

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.

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