

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 4:30 AM CST

Corn 8 to 10 higher

Wheat 3 to 5 higher

Beans 11 to 13 higher

Soy Meal 1.5 to 2.0 higher

Soy Oil 20 to 25 higher

### The Stories of the Day:

**A break in US/Chinese tensions or...**

<https://www.barchart.com/story/news/1518815/us-china-agree-to-cooperate-on-climate-crisis-with-urgency>

**Covid vaccines** <https://www.msn.com/en-us/news/us/half-of-us-adults-have-received-at-least-one-covid-19-shot/ar-BB1fMBLf?li=BBnb7Kz>

**Weather:** There is a trough moving down into the Eastern U.S. with a ridge in the West. This ridge-west and trough-east pattern will continue through most of this week. A cutoff low will escape underneath the ridge this week and move across the country late this week and weekend. Models suggest that the main trough will retreat northward next week. This will maintain an active, but progressive pattern for next week. 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 Saturday will be above normal in the West and near to below normal elsewhere. Temperatures will gradually moderate through the end of the period as the pattern goes more progressive. A system will move through the Midwest and Gulf Coast eastward this coming weekend. Another system will move into the West and then the Central next week. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS):** Scattered light showers moved through over the weekend. Temperatures fell below normal on Sunday and will mostly stay that way through the week. Though showers have started to move back into the region, amounts have not been enough to reduce drought. A system next week shows more potential for moderate showers, but it is a long ways out. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Scattered showers moved through this weekend, bringing beneficial showers to the entire region, but also well below normal temperatures. Hard freezes were recorded in the western half of the Plains, which may have damaged wheat. Risks for hard freezes continue through most of the week and may get into eastern areas as well, where corn planting has been more advanced. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** Scattered showers moved through southern areas this weekend but were lighter than what fell in the Plains. Another front moving through late Sunday through Wednesday will bring scattered rain and snow showers along with fairly chilly low temperatures. Some light frosts occurred in the northern half of the region this weekend but will be more likely widespread later this week behind the front. Hard freezes may occur for much of the region, doing damage to winter wheat and early-planted corn. -DTN

**DELTA (SOYBEANS/COTTON):** Scattered showers moved through this weekend, but were light, allowing soils to drain and producers to get into the fields. A front that moves through on Tuesday night could produce frosts for northern areas Wednesday and Thursday, potentially causing damage to wheat and early-planted soybeans. -DTN

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**SOUTHEAST (COTTON/LIVESTOCK):** Scattered showers moved through this weekend, but were more pronounced along the Gulf Coast, where more flooding has been noted. The region will be relatively dry this week, allowing any wet soils to drain and allow for more planting progress. -DTN

**CANADIAN PRAIRIES (SPRING WHEAT/CANOLA):** A front brought scattered snow showers to the region this weekend, being moderate in Alberta but lighter elsewhere. The entire region continues to be in drought this spring. Another front will move through Thursday with more moderate snow showers in Alberta but less elsewhere. The cold continues through the week but could retreat northward next week. -DTN

**BRAZIL (CORN/SOYBEANS):** Scattered showers fell this weekend as a front moved slowly northward. This is very timely for safrinha corn, but amounts were mostly less than one inch. The showers will dry up from south to north by the middle of this week. Another front moves through this weekend, but showers do not look to be very widespread or heavy. The end of the wet season appears to be starting for central Brazil as fronts start to clear the majority of the country's growing regions. This will overall stress safrinha corn that has been planted very late. Chances may be better for southern areas as fronts tend to linger a bit longer here. -DTN

**ARGENTINA (CORN/SOYBEANS):** Mostly dry conditions were noted this weekend, favorable for corn and soybean harvesting. A front will move into the country on Wednesday and bring showers into the weekend before moving northward and away. Widespread moderate to heavy showers are anticipated for most areas, bogging down harvest conditions. -DTN

**EUROPE (WINTER WHEAT/CANOLA/CORN):** Scattered showers moved through eastern areas this weekend, continue to produce mostly favorable conditions for developing winter grains. [Colder temperatures remained across the west and north, with patchy frosts possibly causing some damage. Another cold front later this week could produce more frosts and freezes for northern and eastern areas through the coming weekend, as concern for damage continues for vulnerable plants.](#) Across the south, warmth and periods of showers should maintain favorable conditions for reproductive winter grains. The cold across the north and east is likely to further delay spring planting for corn and other crops. -DTN

**UKRAINE/RUSSIA (WINTER WHEAT/CORN):** Scattered showers moved through the region this weekend and temperatures have been mild, allowing for more wheat to come out of dormancy, but cool enough to keep growth slow. Soil moisture has been good in the region due to above-normal winter and spring precipitation, but the region could use some warmth for more progress. [A cold shot may come this weekend into early next week, mostly for Ukraine. Temperatures are not expected to be damaging right now but will need to be watched.](#) -DTN

**NORTHERN AFRICA (WINTER WHEAT):** Timely showers this weekend will be followed by several days of dryness. However, showers may return this weekend, favoring reproductive to filling wheat. -DTN

**SOUTH AFRICA (CORN/SUGARCANE):** The region has been fairly dry lately, benefiting maturing corn and harvest activities. The dryness should last for the next week as well. To the east, some occasional periods will help rain-fed sugarcane and replenish some irrigation reserves. -DTN

**AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT):** Some scattered showers moved through northern New South Wales and southern Queensland over the weekend, but most areas remained dry, benefiting harvest activities for cotton and sorghum. Recent rainfall in the west and east have filled soils ahead of winter wheat planting, which should be getting underway. Very little shower activity this week will favor all fieldwork activities. -DTN

**CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS):** Scattered showers fell in northeastern China ahead of soybean and corn planting, which should be starting up in the next couple of weeks. Conditions have been mostly favorable across the country so far this spring, though it has been overly wet across the south for rice and sugarcane. Periods of showers this week will maintain mostly favorable conditions. -DTN

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INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Periods of showers have continued this spring have kept conditions favorable for much of the winter crops in northwestern India as they move through reproduction. Scattered showers have started to develop occasionally over the interior of India well in advance of summer planting season for cotton and soybeans, which starts with the monsoon in June. -DTN

## Headlines

- > Malaysian July Palm Oil down 22 Ringgits
- > Dalian Futures Exchange were mostly higher Sept corn up 22 to the Yuan, Sept beans down 50, Sept meal up 41, Sept bean oil up 36, Sept palm oil up 46
- > Asian Equity Markets were mixed, Japan's Nikkei down .1%. China's Shanghai up 1.5%
- > European Equity Markets are mixed, German Dax down .1%, London FTSE up .1%
- > MATIF Markets are mixed, June corn up 2.0 to the Euro, May Rapeseed up 6.5, May wheat down 2.25
- > Remember the Date...March 10<sup>th</sup>...Parana, Brazil second season corn crop is late...clock is ticking towards an early frost? <https://mygeohub.org/resources/879/download/Corn-growth-stage-day-and-GDU-calendar10.pdf>
- > Save the Date...April 24<sup>th</sup>...Anzac Day...as always if you need a professional spinner...
- > Save the Date...April 29<sup>th</sup>...US 1Q GDP
- > Save the Date...May 7<sup>th</sup>...US monthly jobs numbers
- > Save the Date...May 12<sup>th</sup>...US and world S&Ds including our first look at 21/22
- > COVID-19, 3 million and counting <https://www.msn.com/en-us/news/world/worldwide-covid-19-death-toll-tops-a-staggering-3-million/ar-BB1fKjw5>
- > From dissident to potential martyr <https://www.msn.com/en-us/news/world/jailed-kremlin-critic-navalny-to-be-moved-to-a-hospital/ar-BB1fO2xx?ocid=uxbndlbing>
- > Bird flu to human in China <https://english.ahram.org.eg/NewsContent/2/0/69105/World/0/First-human-HN-bird-flu-case-in-Beijing-Officials.aspx>
- > ASF/Locust/FAW slow news day
- > Weird weather stays weird...The NWS map below from hard freeze to freeze watches it is going to be a chilly morning Tuesday
- > Weekly CFTC MM Fund Position report showed the MM funds short 13,217 Chicago wheat, long 11,028 KW, long 9,680 MW, long 401,993 corn, long 142,258 beans, long 43,830 meal, and long 81,165 bean oil

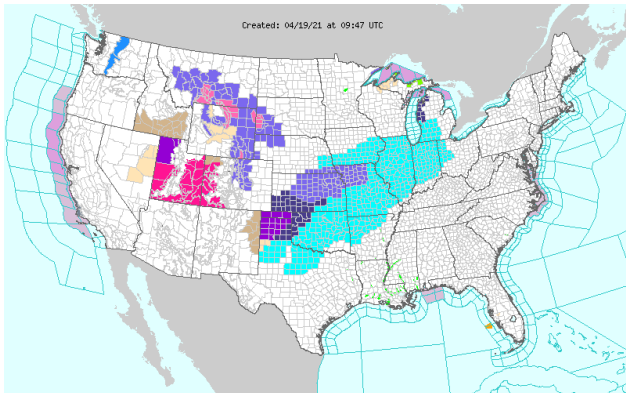
## Commentary

Now what? If you are an end user of grains, now what? We are now on the downhill slide of weather that matters here for crops in Brazil and in the N. Hemisphere. The high cost of ocean freight and not knowing how big or small the second season corn crop in Brazil might be, has meant end user around the work hoping for a big crop. Not knowing how this crop might play out combined with high cost of ocean freight have had end user grinding stocks on hand, hoping replacement costs might come down. The clocking is now ticking with many crop areas in the N. Hemisphere not expected to get off to the best start in the world combined with what is now

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expected to be a less than ideal finish for the Brazilian corn crop end users around the world are now having to make some hard decisions. These decisions to reach for coverage might be made a bit easier by the fact the world is waking up to the idea that during a time of covid recovery the world economy will be hit with spot shortages. In other words, as more and more stories talk about spot inflation the pathway forward to pass on price increases become all the easier. These added costs will start to be seen and passed on up and down the supply chain.

Plenty of cold temps out there in the next 24 hours



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