

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 5 to 7 higher

Wheat 4 to 6 higher

Beans 17 to 19 higher

Soy Meal 4.0 to 4.5 higher

Soy Oil 40 to 45 higher

The Stories of the Day:

Swallowing the Crimea land grab by Russia was always going to be hard without water <https://www.bloomberg.com/opinion/articles/2021-03-19/russia-vs-ukraine-crimea-s-water-crisis-is-an-impossible-problem-for-putin>

Talking is good? <https://www.msn.com/en-us/news/world/officials-report-progress-at-iran-nuclear-talks-in-vienna/ar-BB1fPCvi?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 is escaping underneath the ridge in the West and will move across the southern tier of 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 Sunday will be above normal in the West and near to below normal elsewhere. Temperatures will rise and fall through the end of the period as the pattern goes more progressive. A system will move into the West and then the Central next week with widespread showers. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Temperatures below normal will continue through the next 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): A system will bring scattered rain and snow showers through early Wednesday along with fairly chilly low temperatures for the next several days. Some light frosts occurred in the northern half of the region this weekend but will be more likely widespread this week behind the front. Hard freezes may occur for much of the region, doing damage to winter wheat and emerged 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 emerged soybeans. -DTN

Tuesday, April 20, 2021

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 and Friday 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 for showers may be better for southern areas as fronts tend to linger a bit longer here. -DTN

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

EUROPE (WINTER WHEAT/CANOLA/CORN): Scattered showers moved through eastern areas this weekend, continuing 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 past weekend are 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

Tuesday, April 20, 2021

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 up 98 Ringgits
- > Dalian Futures Exchange were mixed Sept corn down 1 to the Yuan, Sept beans down 74, Sept meal up 46, Sept bean oil up 104, Sept palm oil up 126
- > Asian Equity Markets were mostly lower, Japan's Nikkei down 2.0%. China's Shanghai down .1%
- > European Equity Markets are mostly lower, German Dax down .2%, London FTSE down .3%
- > MATIF Markets are higher, June corn up 3.0 to the Euro, August Rapeseed up 6.5, Sept wheat up 1.25
- > Remember the Date...March 10th...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 24th...Anzac Day...as always if you need a professional spinner...
- > Save the Date...April 29th...US 1Q GDP
- > Save the Date...May 7th...US monthly jobs numbers
- > Save the Date...May 12th...US and world S&Ds including our first look at 21/22
- > COVID-19, over the counter test kits coming soon <https://www.msn.com/en-us/health/medical/over-the-counter-covid-19-rapid-tests-to-be-sent-to-major-pharmacies-this-week/ar-BB1fPPIr>
- > National day of protest in Russia Wednesday over Navalny <https://news.yahoo.com/daughter-jailed-kremlin-critic-alexei-091858683.html>
- > ASF it still is out there <https://www.hindustantimes.com/india-news/920-pigs-die-of-african-swine-fever-in-mizoram-in-less-than-a-month-101618848263772.html>
- > Bird flu/Locust/FAW slow news day
- > Brazil suspends import duties <https://www.nasdaq.com/articles/brazil-suspends-soy-corn-import-duties-until-year-end-ministry-says-2021-04-19-0>
- > Weekly crop updates from the USDA found that 53% of the winter wheat crop is good to excellent shape, 19% of the spring wheat crop has been planted, 3% of the bean crop has been planted, 8% of the corn crop is in the ground with 2% emergence

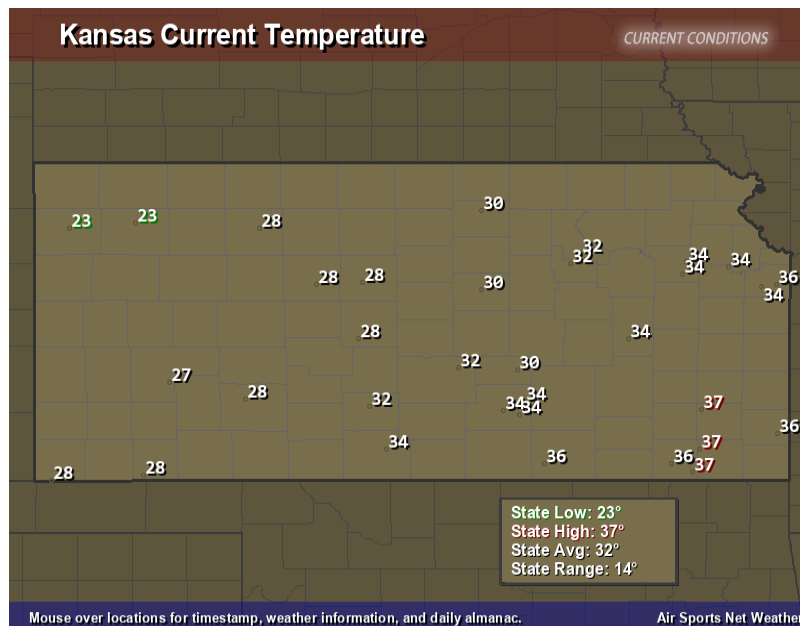
Commentary

So, what about Sept corn? Sept corn closed at 537 ½ yesterday while July corn settled at 580 ½ and Dec corn at 520 ½. We all know Sept is where corn traders go to lose money. It is much like KWK each year you have to ask will it trade like a new crop or old crop corn values. This year given a carryout in the US that is at 1.352 BBU but seems to be falling with each passing USDA S&D report one gets the feeling that it will end up trading more like old crop. We say this knowing that the speed of the corn being planted and its emergence in the Delta and

Tuesday, April 20, 2021

SE US will be key to early harvested bushels that will help bridge the gap between old crop tightness and new crop bushels. But we all know the key to corn prices remains Brazil. Presently the USDA and CONAB have the Brazilian crop at 109.0 MMT but private guesses are at 105.00 MMT and falling. The speed of how fast the Brazilians can refill their domestic pipeline as well as ocean freight costs are going to be key to watch for US values. Why you ask, Chickens like corn but wheat not so much. Yes, here in the states from Turkey to hogs to cattle we will feed more wheat to help bridge the gap between old crop and new crop corn values. That said chickens do better on corn. It is not uncommon on tight old crop carryout years for SE US chickens to be fed S. American corn bushels. That said given the high cost of ocean freight as well as the expense of S. America feed grains, SE US chickens might be gobbling new crop SE corn bushels at a pace that keeps these said bushels from pressuring gulf export values as much as they have in the past. Combine these hungry little mouths with the idea that AgResource and others have suggested that for every lost 1.0 MMT of corn production in Brazil this could mean up to 40 million bushels of found US old crop corn exports and you have all the ingredients in place that could make Sept corn trade more like July corn than Dec corn...it is going to be a fun summer.

As of 4 AM CDT KS temps about 3-5 degree warmer than expected



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.