

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 3 to 5 higher

Wheat 5 to 7 higher

Beans 18 to 20 higher

Soy Meal 2.5 to 3.0 higher

Soy Oil 120 to 125 higher

The Stories of the Day:

Earth Day <https://www.msn.com/en-us/news/us/earth-day-2021-keep-these-pandemic-habits-when-its-over/ar-BB1fVayT?li=BBnbfcL>

West Coast Mega Drought <https://www.msn.com/en-us/news/us/as-a-megadrought-persists-new-projections-show-a-key-colorado-river-reservoir-could-sink-to-a-record-low-later-this-year/ar-BB1fO3QU?li=BBnb7Kz>

Weather: There is a trough in the Eastern U.S. with a ridge in the West. 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 allow for an active, but progressive pattern for next week. The U.S. and European models are fairly similar, but the U.S. model has a system moving into the West well before the European model late next week. I will use a model blend but favor the European. For the outlook period, temperatures on Tuesday will be near to above normal in the East and near to below normal in the West. Temperatures will rise and fall through the end of the period as the pattern is more progressive. A system in the Plains will move eastward with widespread showers through the period. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Temperatures below normal will continue through the next week. Drought continues as well. A system next week shows more potential for widespread moderate showers, but there remains uncertainty. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Well below normal temperatures and hard freezes over recent days may have damaged wheat and emerged corn. A system next week may bring widespread showers to the region and may benefit drought areas, but also contain severe weather risks. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Recent temperatures may have been cold enough to damage winter wheat and any emerged corn. Widespread rain this weekend will help damaged plants recover. Temperatures will rise next week, allowing for the growing season to get back on track. -DTN

DELTA (SOYBEANS/COTTON): Some rain and snow occurred Tuesday night across the north but temperatures below freezing Wednesday and Thursday mornings could cause damage to wheat and emerged soybeans. More widespread showers and above normal temperatures are expected this weekend and again next week. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Several days of dryness have allowed wet soils to drain and allow for more planting progress. Moderate to heavy showers will move through this weekend, delaying progress again. -DTN

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CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): The entire region continues to be in drought this spring. Another front is moving through Thursday and Friday, but with little precipitation. The cold continues through the weekend but should retreat northward next week. More scattered showers will be possible with a system next week. -DTN

BRAZIL (CORN/SOYBEANS): Recent showers have since dried up. Showers were not as widespread as was needed by developing corn, even across central areas. 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 as moisture is drained from the subsoil. Chances for showers may be better for southern areas as fronts tend to linger a bit longer here. -DTN

ARGENTINA (CORN/SOYBEANS): A front will continue to bring showers across the country 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): Another cold front moving through the northern and eastern portions of continent could produce more frosts and freezes 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 as well. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Recent showers have maintained above-normal soil moisture, but the region could use some warmth for more progress. A cold shot comes this weekend into early next week, mostly for Ukraine. Temperatures are not expected to be damaging but will slow progress for wheat and delay corn planting. -DTN

NORTHERN AFRICA (WINTER WHEAT): Timely showers this past weekend have been 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 irrigation reserves. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT): Recent dryness has been benefiting harvest activities for cotton and sorghum. Rainfall in the west and earlier this month in the 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): 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, including in the northeast for corn and soybean planting, which should start up in the next couple of weeks. -DTN

INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Periods of showers that 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 67 Ringgits

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- > Dalian Futures Exchange were mostly higher Sept corn up 43 to the Yuan, Sept beans up 147, Sept meal up 50, Sept bean oil up 144, Sept palm oil up 184
- > Asian Equity Markets were mostly higher, Japan's Nikkei up 2.4%. China's Shanghai down .2%
- > European Equity Markets are mostly higher, German Dax up .5%, London FTSE up .3%
- > MATIF Markets are higher, June corn up 3.75 to the Euro, August Rapeseed up 3.75, Sept wheat up 2.25
- > 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 27th...Stats Canada will be out with their planted acres outlook...expected all wheat at 23.7 million acres, durum 5.5 million, barley at 8.0 million, and canola at 22.6 million
- > 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
- > The people who need this truck have money to buy...and yet <https://www.autonews.com/manufacturing/ford-suspends-more-f-150-explorer-output-over-chips> Inflation and spot shortages in the pre/post Covid era...This Time Its for Real
- > Ukraine/Russia https://www.upi.com/Top_News/US/2021/04/22/Senate-foreign-relations-committee-advances-bill-support-Ukraine/3611619074026/
- > COVID-19, US Military getting vaccinated <https://www.msn.com/en-us/news/us/nearly-a-third-of-service-members-given-covid-19-vaccine/ar-BB1fUwWx>
- > Hey Snake River Folks you watching this <https://www.msn.com/en-us/weather/topstories/how-the-largest-dam-removal-project-in-history-will-commence-next-year/ar-BB1fTo4d?li=BBnbfCL>
- > Bird Flu time to rebuild the flocks? <https://en.yna.co.kr/view/AEN20210422002600320>
- > Weekly jobless claims at 7:30 AM CDT expected 603,000 new claims this week vs. last week's 571,000
- > Weekly export sales at 7:30 AM CDT wheat expected in between 400-600,000 MT, corn 700-1.0 MMT, beans 200-400,000 MT, meal 100-300,000 MT oil 5-25,000 MT

Commentary

Yesterday we ended the trading day with rumors that China might have bought 8-10 cargos of US corn for O-N-D positions. The feeling was that China was looking for a back stop to Ukraine corn in case tensions between Russia and the Ukraine disrupt shipping channels. Today we wake up to rumors that China has booked at least 500,000 MT of new crop French wheat for J-A-S shipment. The key here as much as China wants to reduce its exposure to world feed grains it is not going to make the mistake of letting domestic food inflation getting out of hand. It seems like they feel that until we get back to back decent feed grain crops from the N. Hemisphere followed by the S. Hemisphere keeping feed grains coming, out along the calendar curve is one way to maintain domestic bliss. While we feel the board rally this week has moved close to the over bought zone by no means are we calling for deep breaks. Instead, we might need the news to catch up with this week's bullish enthusiasm.

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If we continue to hear and see confirmation of Chinese interest in new crop feed grains combined with a lack of clarity on where Russian/Ukraine tensions might take us this summertime more than price will correct over bought conditions.

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