

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 12 to 14 higher

Wheat 12 to 14 higher

Beans 11 to 13 higher

Soy Meal .5 to 1.0 higher

Soy Oil 200 to 210 higher

The Stories of the Day:

Euro becoming the currency of choice for exports

<https://www.msn.com/en-us/news/world/putins-drive-to-ditch-dollar-picks-up-as-exports-move-to-euros/ar-BB1g4ulo?li=BBnb7Kz>

To slow the mutations the world needs to be safe

<https://www.msn.com/en-us/news/us/us-to-share-astrazeneca-covid-19-vaccine-doses-with-world/ar-BB1g4ITb?li=BBnb7Kz>

Weather: A fairly progressive pattern is expected over the next 10 days. There is a trough in the West and a ridge in the Central and East. The trough will slowly progress through the country over the next few days. Another will move into the West this weekend and through the Central U.S. through early next week. Another trough will move into the West toward the end of 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 near to above normal in the West and North-Central and near to below normal elsewhere. Temperatures will rise and fall through the end of the period. A system will move across the U.S.-Canada border region over the weekend with periods of showers. A system may develop over the Central Plains next week with more widespread showers. Another may move into the West in the middle-to-end of next week. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Recent showers may have some benefit to topsoil but the drought continues as planting continues. No more significant cold blasts are indicated for the next couple of weeks but could be locally so in the extended range. More showers may be possible this coming weekend and next week as well.

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Scattered moderate to heavy showers occurred last Friday for the southeastern quarter of the region. Areas across the west have stayed mostly dry recently as soil moisture has dried up. A system this week is more likely to miss the southwest quarter of the region, with dryness and drought growing. Areas to the east could see some severe weather. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Temperatures well below normal recently are on their way out as even the passing cold shots will be muted with lower chances for frost risk moving forward. This will likely cause an uptick in planting progress as we go through the week. This is despite periods of showers that will move through and could be heavy for a wide area of the southern and eastern Midwest later this week. Areas in the northwest will see less precipitation, where there remains some leftover dryness and drought. -DTN

DELTA (SOYBEANS/COTTON): Moderate to heavy showers occurred the past Friday into Saturday, but dryness on Sunday into early this week will allow soils to recover and planting to progress further. Showers later this week could be heavy with severe weather potential again. -DTN

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SOUTHEAST (COTTON/LIVESTOCK): Moderate to heavy showers and severe weather occurred this weekend, possibly impacting young cotton plants across southern Alabama and Georgia. Dryness for much of this week will help soils to recover and planting to progress further. Moderate showers will likely move in late this week and weekend. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Cool and damp conditions were noted over the weekend. Though the showers were very welcome, the drought continues across the area. Cooler temperatures will rise over the course of the week, but planting, which usually starts to get underway in early May, may have to hold off until soils get a bit more precipitation and temperatures increase a bit more. Producers may hold off for another week. Scattered showers are likely with a system this weekend, though amounts do not look overly impressive for most areas. -DTN

BRAZIL (CORN/SOYBEANS): A front brought some shower activity to southern and western growing regions over the past few days, but these showers were mostly isolated and light. Soil moisture is continuing to fall as the country has gotten drier over the last few weeks. Most of the central growing regions look to be almost completely dry over the next 10 days. Over the south, showers were not impressive as the current front passed through and dryness is likely for the week. There may be a front that moves in next week and stalls in the region, which would have significantly positive impacts for developing corn. -DTN

ARGENTINA (CORN/SOYBEANS): Recent showers have been untimely for mature corn and soybeans, delaying harvest. Conditions are improved this week as the region stays very dry. A front will move into the country this weekend with scattered showers into early next week, again causing delays. -DTN

EUROPE (WINTER WHEAT/CANOLA/CORN): Scattered showers fell across eastern and southern areas this weekend while cold temperatures lingered across the north and east. The coolness has been concerning for winter grains over the last couple of weeks. Temperatures across the north and east will remain on the cooler side, keeping growth slow. Otherwise, favorable conditions are found across the south for winter grains. The cooler temperatures will likely delay more spring planting. -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 shot of cold air moved in this past weekend and continues for the next several days before moderating. Development of winter grains will be slow, along with spring planting. -DTN

NORTHERN AFRICA (WINTER WHEAT): There have been some showers recently, but the entire region could use more precipitation for reproductive to filling wheat. The best shots are in Morocco this week. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT): Recent dryness has continued to favor cotton and sorghum harvest as well as winter wheat planting. Dryness for much of this week will continue that trend. However, all regions could benefit from some shower activity to increase soil moisture for germinating wheat. -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 through the middle of the week will maintain mostly favorable conditions. But cool temperatures in the northeast could delay corn and soybean planting if it lingers over 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 and fill. 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

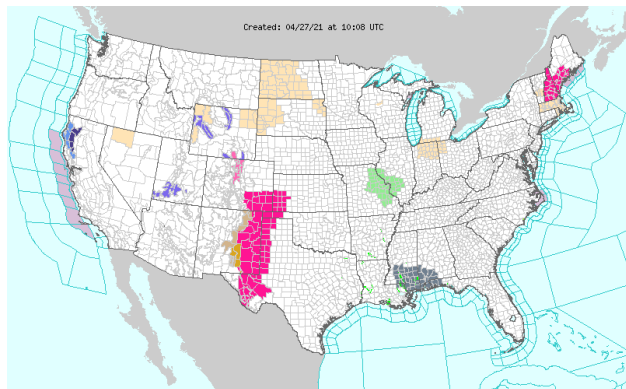
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- > Malaysian July Palm Oil up 156 Ringgits
- > Dalian Futures Exchange were mixed Sept corn up 14 to the Yuan, Sept beans down 82, Sept meal up 33, Sept bean oil up 8, Sept palm oil down 18
- > Asian Equity Markets were mixed to lower, Japan's Nikkei down .5%. China's Shanghai down .1%
- > European Equity Markets are mixed, German Dax down .2%, London FTSE flat
- > MATIF Markets are mixed to higher, June corn up 4.25 to the Euro, August Rapeseed up 2.50, Sept wheat 3.25
- > 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 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 28th...OPEC meeting
- > 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, India breaking records <https://www.msn.com/en-us/news/world/countries-pledge-assistance-and-aid-as-india-breaks-another-global-covid-19-record-and-hospitals-run-out-of-oxygen/ar-BB1g3oOd>
- > B,rrrrrrrrrrrrrrrrrrrr <https://www.express.co.uk/news/weather/1428171/BBC-weather-forecast-Europe-snow-thunderstorm-latest-update-vn>
- > It is a dangerous world out there <https://www.msn.com/en-us/news/world/australian-official-warns-drums-of-war-are-beating/ar-BB1g5b2w?li=BBnbfcL>
- > FAW/ASF/Locust/Bird Flu all quiet
- > USDA weekly crop update showed that 28% of the spring wheat crop is planted, 17% of the corn crop is in the ground, 8% of the beans are planted, and that 49% of the winter wheat crop is rated good/excellent

Commentary

We ended last week and start this week with corn providing a high floor to world wheat values. But at some point world wheat values will start acting as ceiling to world corn values. Yes, much of the world wheat stocks are in India and China. Yes, with much of the world wheat stocks in India and China much of the world stocks in wheat are of poor value. That said when spot corn is a 7-dollar item the world will start to become more and more creative with alternative feed grains. By no means are we saying wheat values will be the main reason for a top in corn all we are saying is that world wheat stocks at some point will slow the ascent. While the number of countries that can grow corn for export could almost be counted on one hand, the list is long of countries, if the price is right that can grow wheat for feed or food export...C'mom on down world wheat growers you are the new contestant on the Price Is Right.

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