

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 1 around

Wheat 3 to 5 higher

Beans 1 to 3 lower

Soy Meal .5 to 1.0 lower

Soy Oil 5 to 10 higher

The Stories of the Day:

US/Russia <https://www.msn.com/en-us/news/world/biden-eyes-russia-retaliation-after-meddling-hacking-review/ar-BB1fp1t?ocid=BingNewsSearch>

Jordan Drama <https://www.msn.com/en-us/news/world/jordans-king-breaks-silence-after-royal-drama-grips-the-country/ar-BB1fpfTh?ocid=hplocalnews&li=BBnb7Kz>

Weather: A trough in western

Canada will send a few pieces of energy into the U.S. through the next week. A stubborn ridge off the East Coast will cause the disturbances to stall over the Midwest. The Canadian trough will eventually retreat farther north and west, allowing for a ridge to build into the West by the end of next week. Meanwhile, a cutoff low, left over from one of the stalled disturbances, will sit in the Great Lakes at the end of next week. There may be another cutoff low that hangs out over the Rockies next week as well. The U.S. and European models show some distinct differences in how to treat these disturbances as they stall around the Midwest and how another disturbance may develop. I will use a model blend but favor the European. For the outlook period, temperatures on Tuesday will be below normal in the Northwest, Plains, and western Midwest and near to above normal elsewhere. The below normal temperatures will slowly spread to the East Coast through the end of next week while temperatures in the West will rise. A system will be stalled in the Great Lakes. A couple of disturbances may move across the southern tier of the country next week with scattered showers as well. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Moderate rain and snow fell over South Dakota Tuesday and Wednesday. Another system will move through late Thursday and Friday and a third system is expected over the weekend. Outside of recent precipitation in South Dakota, amounts will be mostly light, not being able to put a dent in the ongoing drought conditions. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Moderate showers associated with the first of three systems continues across eastern areas Thursday morning. This first system will have the most impact of the three. Some showers occurred in the southwest, where dryness had started to return to the region. However, the other two systems are likely to leave this portion of the Plains rather dry, stressing developing winter wheat. A cutoff low that will develop in the Rockies next week could bring more periods of showers could bring about more precipitation, but models do not have a good grasp on its development or potential. Regardless, colder temperatures next week may be a concern for vulnerable wheat plants. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Three systems will move into the region and stall, with periods of moderate showers continuing through the next week. This should help to increase soil moisture for some of those drier sections of the region, but delay fieldwork and planting. -DTN

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DELTA (SOYBEANS/COTTON): Recently dry conditions allowed soils to drain and producers to get back into their fields in many cases. However, heavier showers moved through on Wednesday and a couple more storm systems will move through the middle of the country over the next week, with periods of moderate to heavy showers. This will likely cause planting delays. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers continue over central areas for the next couple of days, easing concerns for safrinha corn establishment and growth. Very little shower activity continues over the south, in a reversal from last week. Showers over the central growing areas will be necessary to keep soil moisture from falling early due to later planting dates and the start of the dry season, which will come in a few weeks. Showers are likely to go more isolated or dry up completely this weekend. Dryness over southern areas will start to cause a concern if frontal systems cannot move north from Argentina with adequate precipitation. -DTN

ARGENTINA (CORN/SOYBEANS): Conditions had been favorably dry for much of the country over the last week. A system is slowly moving north through the weekend with continuous periods of showers producing heavy rainfall over southern and central growing areas. This would be untimely for maturing crops and could cause quality issues. -DTN

EUROPE (WINTER WHEAT/CORN): Milder temperatures last week helped winter crops awaken from dormancy. A blast of colder air has spread across the continent this week. Several mornings below freezing may have impacted vulnerable young plants. Temperatures will see a brief rise this weekend but there could be more cooler temperatures next week, at least for the west. Otherwise, soil moisture is favorable for winter crop development across the continent. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): A blast of cold air moving through Europe is moderating as it gets into the Black Sea region but will still be near to below normal over the next couple of days and continue. Temperatures are expected to rise over the weekend and winter crops should be awakening from dormancy next week if they have not already. With the ample soil moisture from winter, crops should find favorable conditions once they do. -DTN

NORTHERN AFRICA (WINTER WHEAT): Dryness continued over western areas over the last week, with increasing concern for winter wheat that is getting farther into and through reproduction. Eastern areas, which have seen far less precipitation this spring, are drawing more concern for yield prospects, but saw some showers over the last couple of days. However, dryness is likely to take over for the next week for much of the region with only occasional isolated showers. -DTN

SOUTH AFRICA (CORN/SUGARCANE): Scattered showers have fallen this week but is turning drier. Later-planted corn is likely enduring some stress despite the overall wetness earlier this year, but most of the crop is advancing through maturity. -DTN

AUSTRALIA (COTTON/SORGHUM): Dry weather over the last week has helped mature cotton and sorghum to dry out, and has favored harvest activities. Tropical Cyclone Seroja is forecast to move over western Australia with beneficial heavy rainfall this weekend into early next week in advance of winter wheat planting. -DTN

MALAYSIA/INDONESIA (PALM OIL): Showers have picked back up across much of the region, though there is still some concern for oil palm in western Malaysia specifically. The increased showers may be enough for the crop going forward, however, and harvest activities are starting up. -DTN

CHINA (WINTER WHEAT/RAPESEED/CORN/SOYBEANS): Recent and forecast showers are benefiting developing winter crops and prepping soil moisture for spring crops, which will start to occur in the next week or two. -DTN

INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Favorable winter and spring conditions should have much of the winter crops in northwestern India in good condition entering spring. Scattered showers have

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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 June Palm Oil up 3 Ringgits
- > Dalian Futures Exchange were mixed Sept corn up 27 to the Yuan, May beans down 21, Sept meal up 4, Sept bean oil down 228, Sept palm oil down 192
- > Asian Equity Markets were mixed, Japan's Nikkei down .1%. China's Shanghai up .3%
- > European Equity Markets are mixed, German Dax up .2%, London FTSE up .1%
- > MATIF Markets are higher, June corn up 1.0 to the Euro, May Rapeseed up 3.25, May 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 9th...Crop Production and S&D reports from the USDA
- > Save the Date...April 15th...NOPA Crush
- > 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
- > COVID-19, Really? <https://www.msn.com/en-us/news/world/indians-are-using-fake-covid-19-results-to-travel-skip-exams/ar-BB1fqdfC?ocid=hlocalnews>
- > Baby its cold outside <https://www.washingtonpost.com/weather/2021/04/07/record-cold-europe-alaska/?s=09#click=https://t.co/zsNdPrKsfm>
- > Baby its cold outside II <https://www.agriculture.com/markets/newswire/update-2-sugar-beet-set-for-losses-as-freeze-hits-french-crop-belts?s=09>
- > ASF in Vietnam <https://vietreader.com/news/39297-locals-dump-dead-pigs-into-rivers-amidst-african-swine-fever-epidemic-in-vietnamese-province.html>
- > Locust poor rains in Eastern Africa will help with control but at what cost? <https://www.usnews.com/news/world/articles/2021-04-08/poor-rains-bring-optimism-african-locust-outbreak-will-fade>
- > Bird Flu Africa <https://www.thisdaylive.com/index.php/2021/04/08/bird-flu-outbreak-in-kano-affects-223695-chickens-in-40-farms/>
- > Brazil and India the hot spots when it comes to covid <https://www.msn.com/en-us/news/world/covid-19-live-updates-brazil-and-india-now-worst-hit-hot-spots-with-record-new-cases-and-deaths/ar-BB1fqcSs?ocid=BingNewsSearch>
- > Weekly Jobless Claims at 7:30 AM expected at 694,000

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- > CONAB crop production estimates for Brazil out this AM corn expected at 105.0 MMT, beans at 135.0 MMT
- > Weekly Export Sales at 7:30 AM CDT wheat expected between 500-700,000 MT, corn 800-1.0 MMT, beans 200-400,000 MT, meal 100-300,000 MT, and bean oil 5-25,000 MT
- > UN Food Index hits 7 year high, now up 10 months in a row <https://www.aa.com.tr/en/economy/march-food-prices-at-nearly-7-year-high-un-body/2202149>

Commentary

As noted by Reuters earlier this week in the reporting calendar of the USDA there are 15 major monthly or quarterly reports. Of these reports the April USDA S&D report is usually a non-event lost between the importance of the March quarterly stocks and prospective planting reports and the May crop production and S&D reports. But in a year where Brazilian corn stocks have been drawn down to the point that interior Brazilian corn prices are at an all time high combined with the US corn carryout drifting toward the super tight zone of 1.0 BBU the April S&D report for corn could have some fireworks. In March, the USDA pegged the corn carryout at 1.502 BBU. The average trade guess for the April number is 1.346 BBU. That said the market knows that ethanol margins are improving and with it domestic demand for corn. The market also feels that the USDA will have to raise US exports well over 200 MBU if not closer to 300 MBU. The bottom line while the trade feels the USDA to date has been conservative in lowering the corn and bean carryout and will continue to be so on this report. But if you press many an analyst where they think the US corn carryout will end up, they as a herd might be closer to 1.2 MMT. The surprise of the report could be the USDA ripping the bandage off to encourage summertime rationing of feed grains.

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