

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 3 to 5 higher

Wheat 6 to 7 higher

Beans 6 to 8 higher

Soy Meal 1.5 to 2.0 higher

Soy Oil 3.0 to 3.5 higher

The Stories of the Day:

Trouble in the neighborhood, South China Sea edition 2.0

<https://www.msn.com/en-us/news/world/dont-play-with-fire-china-warns-us-on-taiwan/ar-BB1fBIPR?li=BBnb7Kz>

Everybody poking at the big dog <https://www.voanews.com/usa/us-intelligence-warns-china-russia-determined-erode-washingtons-influence>

Weather: There is one cutoff low in the Midwest and another in the West. The systems will move eastward late this week and weekend as a trough starts to move its way south over eastern Canada. Meanwhile, a ridge will develop in the West. A general ridge-west and trough-east pattern will set itself up this weekend and continue into next week. Another upper-level cutoff low may undercut the ridge and move into the Southwest 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 Monday will be above normal in the West and near to below normal elsewhere. This general pattern will continue through next week, with the coldest temperatures in the Central U.S. A system will bring some showers to the northern tier early next week, followed by another mid-to-late week. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Scattered showers fell over the weekend into Tuesday, with some moderate precipitation occurring over the drought areas in North Dakota. Drought may have eased some, but it still remains. More scattered showers are expected late this week, but more likely for South Dakota than the drought areas. Cold air funneling into the region is likely to delay thoughts of planting for another couple of weeks. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Some occasional showers have been occurring across the south this week. An upper-level low in the West will bring some more widespread showers late Thursday into Saturday, which includes snow in the northwest. This will benefit all areas. Cold air that precedes and follows this system could bring some frost damage to the far western areas but will definitely slow growth of winter wheat. It should also delay thoughts of planting with risks for frosts going through the weekend and next week as well. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): An upper-level cutoff system that brought showers to the region this weekend will continue to do so through Thursday. The upper-level system in the West will move through later this week and weekend with more showers. Colder temperatures moving into the region this week will slow growth on winter wheat and could cause some frost issues for producers who planted early across the north all the way through next week. -DTN

DELTA (SOYBEANS/COTTON): Recent heavy showers renewed flooding concerns across the area. Some shower activity will move through this week and weekend, but amounts will be mostly light, helping fields to dry out and planting activities to ramp back up. -DTN

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SOUTHEAST (COTTON/LIVESTOCK): Scattered showers moved through this weekend, being heavy in some areas and likely delaying planting and fieldwork but providing beneficial moisture for pastures. A couple rounds of showers will be possible this week and weekend and could cause further delays. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Recent showers will ease some of the drought over eastern areas, but not eliminate it. While the showers may give a better footing for the start of planting that happens next month, the overall theme of dryness is expected to continue into May. -DTN

BRAZIL (CORN/SOYBEANS): Showers may pop up later this week and weekend for central growing areas, but look to be isolated and generally lighter. Stress to developing safrinha corn is expected to continue. A front will remain stalled in southern areas through the rest of the week, but with mostly light shower activity, stressing safrinha corn here as well. -DTN

ARGENTINA (CORN/SOYBEANS): A system brought widespread moderate to heavy rain to the country last week. Some areas reported more than 5 inches of rainfall, causing harvest delays and quality concerns for corn and soybeans. Flooding will likely be more of an issue for later-planted corn and soybeans that might have been able to take advantage of the moisture, but it may have been too much. Dryness this week has and will continue to help drain soils to allow equipment back into fields for harvest. -DTN

EUROPE (WINTER WHEAT/CORN): After a brief warmup this past weekend, colder temperatures are filtering back into the continent this week, causing some frost damage concerns for winter wheat. Western areas have seen below normal rainfall over the last few weeks and could use more as wheat slowly develops. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Scattered showers continue in the region this week, bringing favorable soil moisture for winter wheat that is breaking dormancy. Temperatures above normal are reversing a recently cooler trend and providing a boost to wheat yet to break dormancy. Colder temperatures in Europe this week will moderate before getting into Ukraine, keeping temperatures near to above normal. -DTN

NORTHERN AFRICA (WINTER WHEAT): A better chance for showers is starting upon the region that should last through the weekend, benefiting reproductive to filling wheat. -DTN

SOUTH AFRICA (CORN/SUGARCANE): The region has been fairly dry lately, benefiting maturing corn and some harvest activities. A front will bring some showers to the eastern portions of the region Thursday and Friday, but most areas will remain favorably dry. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT): Heavy rain moved through Western Australia due to Tropical Cyclone Seroja this weekend, being very beneficial to recharging soil moisture ahead of winter wheat planting. Most areas in the east remain dry, favoring harvest of cotton and sorghum. Soil moisture remains very favorable in these areas ahead of winter wheat planting, which may start happening this week or next. -DTN

CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS): Recent showers have favored winter wheat and canola development on the North China Plain, and increased soil moisture ahead of corn and soybean planting in the northeast. Showers likely delayed planting for rice in the south. Some forecast dryness this weekend into next week could be the start of a drier pattern for the region. -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 as they move toward and into 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 June Palm Oil unchanged vs. the Ringgits

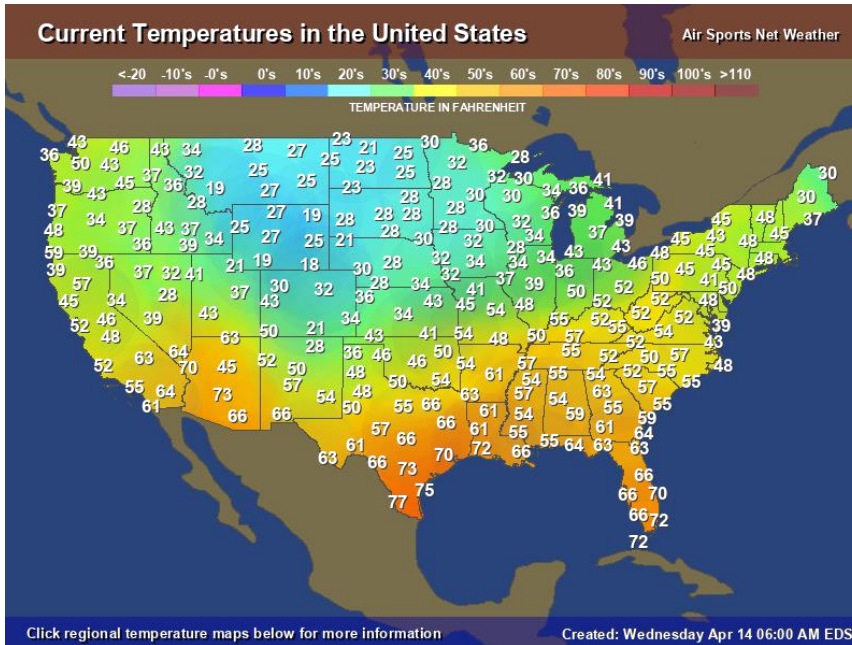
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- > Dalian Futures Exchange were mostly higher Sept corn up 21 to the Yuan, Sept beans up 149, Sept meal down 20, Sept bean oil up 128, Sept palm oil up 114
- > Asian Equity Markets were mixed, Japan's Nikkei down .4%. China's Shanghai up .6%
- > European Equity Markets are mixed, German Dax down .1%, London FTSE up .1%
- > MATIF Markets are higher, June corn up .75 to the Euro, May Rapeseed up 3.0, May wheat up 2.0
- > 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 15th...NOPA Crush...expected at 179.18 MBU...Feb number was at 155.158 MBU
- > 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, when it comes to its impact, we are all going to be long haulers <https://www.msn.com/en-us/news/world/covid-19-fallout-threat-will-ripple-through-the-world-for-years-intel-report-finds/ar-BB1fBUFC?li=BBnb7Kz>
- > Ukraine/Russia everybody trying to get everybody to talk <https://www.msn.com/en-us/news/world/joe-biden-proposes-summit-with-russia-s-vladimir-putin/ar-BB1fC9ZI?ocid=BingNewsSearch>
- > ASF/Locust/FAW/Bird Flu all quiet
- > Covid Brazil <https://edition.cnn.com/2021/04/13/americas/brazil-coronavirus-deaths-intl/index.html>
- > EU cold snap <https://ca.finance.yahoo.com/news/wine-producers-brace-massive-losses-074122792.html> and it is not doing much for sugar beets, and winter rapeseed
- > Baby it's cold outside...check map below

Commentary

May 12th...it seems like a long way off but in reality, it is already here. May 12th is the next data dump from the USDA. In this report they will give us our first look at world and domestic new crop production numbers incorporating the March 31st Prospective Plantings numbers. This means private analysts in the next few weeks are going to be going into overdrive talking about the fact that restocking the world's pantry with feed grains is going to be a multi-year task. Of course, all these new "What If" scenarios will be influenced by how the second season corn crop in Brazil finishes. How the Brazilian crop finishes will go a long way in determining US corn exports for the balance of the old crop campaign. The other wild card will China keep importing world feed grains in 21/22 like they have been this marketing campaign. One interesting side note of corn price action of late has been the fact that US domestic corn demand has been robust but world corn and for that matter feed grain demand is barely routine. This can all change quickly if the Brazilian corn crop does not finish well. Welcome to May everyone.

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