

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 1 to 2 higher

Wheat 1 around

Beans 2 to 4 higher

Soy Meal 2.0 to 2.5 higher

Soy Oil 5 around

The Stories of the Day:

Tension remain high in the Pacific Ocean [China Enraged as U.S. Navy Asserts Navigational Rights Near Paracel Islands \(msn.com\)](#)

US looking for partners in confronting China [Joe Biden needs three things from South Korean President Moon \(msn.com\)](#)

Weather: There is a trough in the West and a Ridge in the East. The trough will continue to dig deeper into the West over the next couple of days while the ridge remains firm. The trough will weaken over the weekend, then move northeast and along the U.S.-Canada border early next week, flattening the northern extent of the ridge. Another trough will move into the West to replace it by the middle of next week, maintaining the overall trough-west and ridge-east pattern. The U.S. and European models are fairly similar in the upper levels, but the American model flattens the ridge a bit more than the European. I will use a model blend but favor the European. For the outlook period, temperatures on Tuesday will be near to below normal in the West and Northern Plains and near to above normal elsewhere. Temperatures will moderate closer to normal through the period, but the overall pattern should remain. Temperatures may rise on the West Coast next weekend. A couple of disturbances will move across the northern tier through next week with periods of showers. Showers will also continue across Central and Southern Plains. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): A trough moving into the West will send several pieces of energy through the region over the next 10 days with moderate to heavy showers. This should help to ease drought conditions, benefiting developing crops and increasing soil moisture. Temperatures will go below normal for several days, especially across Montana. There is a risk for accumulating snow across western Montana through Friday as well. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Periods of widespread showers look to continue through Sunday with isolated showers continuing next week. All developing crops will benefit from the increasing moisture. Temperatures could stand to be a bit higher for maximum benefit, but reduction of drought is likely. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Scattered showers will continue across the west for the next several days but will have a harder time making it farther east until a front drops south into the region Sunday or Monday. This may allow planting to pick up in the eastern states where it is farther behind. Periods of showers will continue next week, increasing soil moisture for most areas and reducing dryness and drought for many areas. Above normal temperatures are expected through at least the weekend and likely next week as well, benefiting developing corn and soybeans. -DTN

DELTA (SOYBEANS/COTTON): Scattered showers may continue on Thursday, but will be harder to come by through much of next week. Temperatures should rise near to above normal, benefiting developing soybeans

and cotton and dryness should help with remaining planting. Soil moisture is adequate to surplus across the region and the dryness should not have a large impact unless the showers do not return by the end of next week. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Recent showers have provided adequate to surplus moisture across the region but have caused some planting delays. Showers will be hard to come by over the next week. Temperatures will rise above normal for the next 7-10 days, favoring additional planting and early growth. The dryness should not have a large impact unless the showers do not return by the end of next week. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): A system in the western U.S. will bring some cooler temperatures to the region through the weekend and much of next week, but will also bring chances for more widespread showers, including some accumulating snow. This brings mixed conditions for planting and germinating crops, but the moisture will be very welcome. -DTN

BRAZIL (CORN/WINTER WHEAT): Poor conditions continue for developing to reproductive corn in the central growing region. A front will move into southern areas Friday with some decent showers for southern areas. As the front works northward, the chances for rainfall will diminish, even if the front stalls in the area. Another front may come to southern areas late next week. -DTN

ARGENTINA (CORN/SOYBEANS/WINTER WHEAT): A system moving into the country will produce widespread showers through Friday before becoming drier again. Soil moisture is favorable for developing winter wheat. After showers leave, conditions will again favor corn and soybean harvest. -DTN

EUROPE (WINTER WHEAT/CANOLA/CORN): Scattered showers and below normal temperatures continue over the next week for much of the continent. The showers have increased soil moisture but developing to reproductive winter crops and germinating summer crops could use some warmer air. Favorable conditions continue for reproductive to filling winter wheat across the south. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Scattered showers will continue over the next week, being heavier in Ukraine. Temperatures have increased and are warmer in Russia, hastening development there. Soil moisture should be adequate for now but more showers would be beneficial to combat the heat in Russia. Temperatures below normal in Ukraine this week will rise above normal next week, benefiting growth. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT/CANOLA): Recent dryness has benefited late harvest of cotton and sorghum, and planting of wheat and canola. Dryness looks like it will continue through this weekend for eastern areas. The dryness may start to be a concern if moisture does not start coming back soon. A front will move into Western Australia this weekend, but it is uncertain whether or not it will produce any significant showers for eastern areas next week. Model trends continue to have any shower activity being spotty as the front moves through. -DTN

CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS): Southern areas are having trouble with too much precipitation and flooding south of the Yangtze river. Daily showers will continue near and just south of the Yangtze for the next week while only occasional showers are expected to the north. Temperatures rising above normal will promote further planting and growth for corn and soybeans in the northeast, and filling wheat and canola on the North China Plain but will fall below normal next week. -DTN

INDIA (WINTER WHEAT/CANOLA/COTTON/SOYBEANS): Tropical Cyclone Tauktae brought heavy rainfall to maturing wheat and canola in northwest India, which may have caused quality issues and damage. The storm has also produced heavy rain across western coast, though this is mostly ahead of planting for cotton and soybeans which usually starts with the monsoon in June. This could produce a favorable setup for both crops closer to the coast, as long as infrastructure has not been significantly damaged -DTN

Headlines

- > Malaysian Aug Palm Oil down 130 Ringgits
- > Dalian Futures Exchange were lower to sharply lower, Sept Corn down 11 to the Yuan, Sept Beans down 146, Sept Meal down 41, Sept Bean Oil down 270, Sept Palm Oil down 252
- > Asian Equity Markets were mostly lower, Japan's Nikkei up .2%, China's Shanghai down .5%
- > European Equity Markets are mixed to higher, German Dax up .6%, London FTSE up .4%
- > MATIF Markets are mixed, June Corn up 1.0 to the Euro, August Rapeseed down 1.0, Sept Wheat up .50
- > Save the Date...May 27th...1Q US GDP
- > Save the Date...May 31st...US Memorial Day
- > Save the Date...June 3rd...US monthly jobs data
- > Save the Date...June 10th...US & World S&Ds including updated acres
- > ASF/Locust/Bird Flu all quiet, but FAW still out there in Australia [Fall armyworm detected near Northam, WA - Grain Central](#)
- > USDA out later today with progress update on carbon capture programs for farmers...ADM still pushing for carbon capture [ADM announces successful completion of Decatur carbon capture, storage project | Technology | herald-review.com](#)
- > Weekly jobless claims at 7:30 AM CDT expected at 425,000 vs. last week's 473,000
- > Weekly export sales at 7:30 AM CDT wheat expected between 200-400,000 MT, corn 4.0-4.5 MMT, beans 200-400,000 MT, meal 100-300,000 MT, and oil 5-25,000 MT all estimates old and new crop combined

Commentary

In these partisan times, a nation like the US that is governed by a two party system, agreeing on much or getting much done is hard to come by. So, we thought we would take a moment and point out two things both the left hand and the right hand side of the dials can agree on and that is Chicken Wings and Cars. We as Americans can agree that Chicken Wings are something most Americas have a taste for, and most America also love the independence cars provide. We talk a lot about inflation, as well as the fact we believe we are in a super commodity cycle that could last 18 more months and beyond. The question before us when will the FED start to react to inflation? The answer might be when the US population really starts to feel the pinch of inflation. What better way for Americans to feel that pinch in that spot shortages are popping up in the supply chain of chicken wings. Americans are now having to drive further and on more expensive gasoline prices to find our beloved chicken wings. The pinch of high costs of labor, and inputs are starting to be felt in the pocketbooks of the American consumer.

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 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.