

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 2 to 4 lower

Wheat 5 to 7 higher

Beans 10 to 15 lower

Soy Meal 2.5 to 3.0 lower

Soy Oil 80 to 85 lower

The Stories of the Day:

Powell Preview [Powell says economy growing rapidly, inflation up 'notably' \(msn.com\)](#)

Fed Policy it is all about the Lumber [Fed chair looks in unlikely place for clues on economy's future: Lumber \(msn.com\)](#)

Are they out there? [Highly anticipated Pentagon UFO report lands this week: What to know \(msn.com\)](#)

Weather: There is a deep trough in the Central and Eastern U.S., a ridge across the West, an upper-level low off the California coast, and a disturbance over northern British Columbia. The trough will weaken and lift northeast through Canada through Wednesday as the western ridge briefly shifts eastward. The disturbance over British Columbia will move down into the Central U.S. toward the end of the week and could be aided by a piece of energy coming from the cutoff low off of California. Regardless, another trough will move through the country late this week and weekend but a portion of it is likely to cutoff across the middle of the country. The western ridge is forecast to expand around the cutoff low 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 Saturday will be near to below normal across the Central U.S., and near to above normal elsewhere. Cooler temperatures may continue over the Central and Southern Plains through the period, with rising temperatures likely elsewhere. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Scattered showers moved through the region over the weekend, but rainfall was not consistent or widespread. Most areas saw less than 1" as the drought continues to produce harsh impacts for developing crops. Temperatures will go through a roller-coaster type pattern over the next seven days. There will be another chance for rain Wednesday through Friday, but showers look to be very isolated. A few more showers will be possible across the Dakotas this weekend which could help to add at least a little bit to rainfall totals. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Scattered showers moved through over the last couple of days with many reports of wind damage from Colorado through Kansas and Nebraska from Saturday night's activity. The rain likely delayed winter wheat harvest by a bit but drier conditions over the next few days should be beneficial. The rains were helpful for developing corn and soybeans, but more are needed. Some isolated storms will be possible in Nebraska on Tuesday and Wednesday, but the region should see better chances for widespread precipitation Thursday through the weekend as a system moves through. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Several waves of showers moved through the region this weekend into Monday with many reports of severe weather. There were some flooding rains in southern Indiana and southwest Ohio with scattered areas of moderate amounts in Iowa, Illinois, Indiana, and Michigan. Rain mostly skipped Minnesota and northwest Iowa, where drought has continued to worsen. There will likely be some showers around Iowa later Tuesday but the next system moving through Thursday through the weekend

will have the best chance for more widespread showers. Iowa and much of the drought areas across the eastern portions of the region look to have a good chance for moderate to heavy rainfall, but most of Minnesota does not. Like the previous storm, showers will likely be scattered, and areas will likely be missed. -DTN

DELTA (SOYBEANS/COTTON): Hot and dry conditions were noted over the weekend, benefiting draining of saturated soils and developing cotton and soybeans. A front that moved through on Monday gave most crops a good drink without being too heavy. There will be another chance for showers as another front stalls in the area over the weekend and into next week. We could see a better chance for flooding where soils are already saturated. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Tropical Storm Claudette moved through the region with widespread rainfall over the last several days, being heavy near its path. A stalled front will continue to produce more showers through the weekend and possibly next week as well. Overall, conditions are favorable for developing cotton. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Scattered showers moved through the region this weekend but were mostly light. Temperatures will be on a roller coaster over the next week, but after Tuesday be more above normal than below it. Soil conditions are mostly favorable for developing wheat and canola, but more showers would be beneficial, especially in the southwest. Only small chances for rain are in the forecast for the next week or two. This will likely drive down soil moisture a bit unless the rains are better than forecast. -DTN

BRAZIL (CORN/WINTER WHEAT): Central areas continued to be dry this weekend, but southern areas did see some moderate to heavy rain move through. Another system will bring more showers to southern areas through Tuesday and another system may stall across southern states late this week and weekend. Corn continues to see terrible conditions as they get closer to or through maturity, but conditions are mostly favorable for developing wheat. -DTN

ARGENTINA (CORN/WINTER WHEAT): Dry conditions continued over the weekend with well below normal temperatures and frosts through many areas. This has favored the corn harvest. The cold has kept growth slow over the last week. Temperatures will rise above normal for the next few days but another system moving through will bring the cold back into the region by the weekend. The system will produce only limited showers for wheat areas but could delay the corn harvest across the north. -DTN

EUROPE (SPRING WHEAT/CORN): Scattered showers fell across the Balkans this weekend, as well as the northwest. Conditions have been rather favorable for most crops in these areas. More showers would be beneficial across the northeast and southwest, however. A system in the west will slowly move east through the week with periods of showers across the north benefiting developing crops. Hot temperatures will continue east of this system until it arrives, however. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): An upper-level low produced scattered showers over the southwest this weekend while heat was building over the drier eastern portions. The heat will be a mainstay through the week, especially across southwest Russia, where temperatures may eclipse 100 Fahrenheit for several days. Soil moisture will hold out for a while as showers had been very persistent last week, but the heat could quickly turn soils dry for developing corn and spring wheat. Showers will start to move into the region this weekend, dropping temperatures by several degrees. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Scattered showers moved through the eastern half of the region this weekend but were only locally moderate. Still, the showers were beneficial where they occurred and temperatures dropping well below normal helped to reduce drought stress for developing spring grains. An upper-level low providing both the showers and cool temperatures will stick around the region for much of this week. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): A system moved into western areas this weekend with beneficial rainfall. Eastern areas have seen good rainfall lately and are finding favorable conditions for developing winter wheat and canola as well. The system in the west will move through eastern areas later this week with more beneficial scattered showers. -DTN

CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS): Conditions are mostly favorable over the northeast for developing corn and soybeans. Some occasional showers have been disrupting wheat and canola harvesting across the North China Plain. -DTN

INDIA (COTTON/SOYBEANS): Widespread showers continue to develop as the monsoon treks northward through the country, allowing for more planting for cotton and soybeans. Conditions are very favorable for developing crops. -DTN

Headlines

- > Malaysian Sept Palm Oil is down 2 Ringgits
- > Dalian Futures Exchange were mostly higher Sept Corn down 4 to the Yuan, Sept Beans up 74, Sept Meal up 2, Sept Bean Oil up 130, Sept Palm Oil up 80
- > Asian Equity Markets were higher, Japan's Nikkei up 3.1%, China's Shanghai up .5%
- > European Equity Markets are mixed, German Dax down .2%, London FTSE up .3%
- > MATIF Markets are mixed, Aug Corn up .50 to the Euro, August Rapeseed up .25, Sept Wheat up 1.0
- > Save the Date...June 24th...1Q GDP
- > Save the Date...June 30th...Grain Stocks and Planted Acres
- > Save the Date...July 2nd US Unemployment number
- > Save the Date...July 5th... US National Holiday
- > Save the Date...July 12th...US Crop Production and S&D Reports
- > Save the Date...July 31st...US Government set to run out of Money
- > Bird Flu, a lot of science in this article but we think it is good news [POSTECH research team develops plant-based, adjuvant-free avian influenza vaccine \(news-medical.net\)](#)
- > ASF China update [China's Pig Herd Has Almost Recovered From African Swine Fever - Bloomberg](#)
- > FAW/Locust all quiet for one day
- > And yes the US spring wheat farmer is well aware, yesterday's weather lesson [Sukhovoy - Wikipedia](#)
- > USDA weekly crop conditions report found that 65% of the corn crop is good to excellent, that 60% of the bean crop is good to excellent, that 97% of the bean crop has been planted, 17% of the winter wheat harvest is in the bin, 49% of the winter wheat crop is rated good to excellent and that only 27% of the spring wheat crop is rated good to excellent

> Delayed CFTC numbers found that as of the close of 6/15 the MM Funds were short 8,396 Chicago wheat contracts, long 17,487 KW, long 15,298 MW, long 252,730 corn, long 107,492 beans, long 19,092 meal, and long 67,216 bean oil contracts

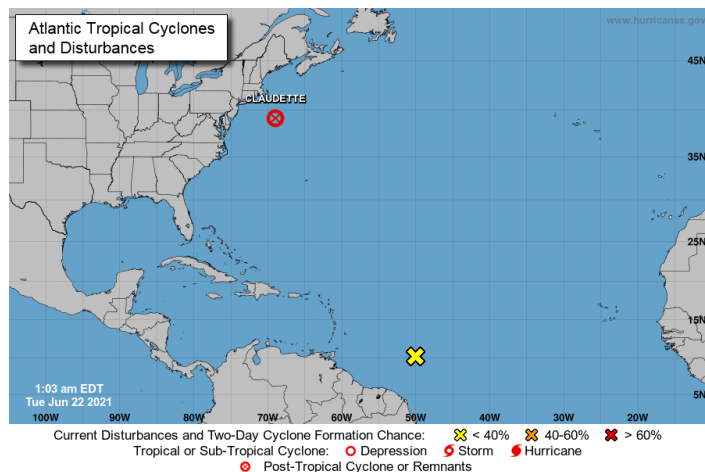
> Early season droughts not good but not the end of the world for the corn and bean plant [Drought Stress: When Does it Start Stealing Yield from Corn and Soybeans? \(dtnpf.com\)](#)

> Burning feed and food stocks for energy [U.S., Brazil expected to constrain ethanol output in coming months | Reuters](#)

Commentary

The message that both the Ag markets as well as the macro markets embraced last week is that inflation is real and left unchecked can be real bad. The issue for the Central Bankers everywhere remains when to act and how to act to keep inflation in check. In the US there is a generation of decision makers who grew up in the 70s and know the debilitating impact runaway inflation can have on an economy. That said no one has experience in jump starting an economy that was sent into lock down by a world pandemic. The balancing act remains how much of the rise in inflation is due to the restarting of the economy and how much is really long term debilitating inflation? The path forward for central bankers everywhere is ripe with landmines. This means there will be more weeks ahead like last week where the dollar's price direction can be turned on a dime by any kind of misread by the trade when it comes to FED Policy Speak. It will be interesting to see today and tomorrow if testimony before the US Congress by Fed Chairperson Powell give the market any more clarity on where the FED is taking us next in the post pandemic restart of the US economy.

The Weather Center Company thinking we might have something tropical in the E. Gulf by late next week?



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