

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CST

Corn 10 to 12 lower

Wheat 6 to 8 lower

Beans 15 to 20 lower

Soy Meal 2.5 to 3.0 lower

Soy Oil 85 to 90 lower

### The Stories of the Day:

**Not over yet?** [Spread of delta coronavirus variant exposes poorly vaccinated regions to renewed danger \(msn.com\)](#)

**Stay cool PNW** [A 'Record-Breaking and Dangerous' Heat Wave Is About to Hit the West Coast \(msn.com\)](#)

**Do we have a deal, or not?** [Iran claims U.S. to lift all oil sanctions but State Department says 'nothing is agreed' \(msn.com\)](#)

**Weather:** There is a ridge in the Plains back into the northeastern Pacific, a trough over central Canada and a cutoff low off of the California coast. The trough will lift northeast but will leave behind a piece of energy that will combine with another coming from the cutoff low off of California in the middle of the country on Thursday and Friday and likely cutoff this weekend or early next week. The western ridge is forecast to expand eastward next week. There is much uncertainty in how the upper-level low will react to the expanding ridge. The U.S. and European models have diverged by a significant margin, introducing more uncertainty into the forecast. I will use the European ensemble of models, but this dilutes potential rainfall. For the outlook period, temperatures on Tuesday will be near to below normal across the Central and Southern Plains and near to above normal elsewhere. Temperatures will waffle some east of the Rockies but will remain well above normal in the Pacific Northwest. A cutoff low will meander across the middle of the country, producing scattered showers near and east of its location. This is likely to culminate in scattered showers for much of the Midwest south to the Gulf Coast though there is more uncertainty as to where the showers will occur than there was yesterday. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS):** Scattered showers moved through the region Wednesday, but with very little rainfall. A front moving through the region will produce more shower chances through Friday and an upper-level low will produce more showers over the weekend. Showers are likely to be isolated and mostly light and should not have a significant impact on the ongoing drought conditions, but producers will take the rain when they can get it. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Scattered showers moved through Nebraska for a second-straight day and there was a little bit in northern Kansas as well. Scattered showers will continue over the north on Thursday but spread southward on Friday and through the weekend as a cold front moves through the region. That front may stall over the south with continued showers across Texas and Oklahoma. Should that occur, there would be disruptions to the winter wheat harvest. Scattered showers will favor improving conditions for corn and soybeans. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** A system moving into the region will produce several rounds of moderate to heavy rainfall through the weekend. The front to the system will stall this weekend into early next week over eastern portions of the region where showers will continue. Behind the front, a cutoff upper-level low may produce more periods of showers, but that will be less likely to occur for much of Minnesota, where drought conditions have been worse and growing. The rain will help increase soil moisture for corn and soybeans in most

areas outside of most of Minnesota but will likely produce some areas of flooding and delays to the winter wheat harvest. -DTN

**DELTA (SOYBEANS/COTTON):** A front will get close to the region this weekend and may stall over northern areas, producing plenty of shower potential and a risk of flooding. Otherwise, lighter showers would be beneficial for developing soybeans and cotton. -DTN

**SOUTHEAST (COTTON/LIVESTOCK):** 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):** Temperatures will be more above normal than below it for the next week or two, though we could see some waffling at times. Soil moisture is mostly favorable for developing wheat and canola, but more showers are needed to keep up with developing crops, 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 continue to be dry, but southern areas will see even more precipitation chances this weekend and into next week. Cold temperatures moving into southern corn areas next week could produce some limited frost potential, further damaging corn prospects. Corn continues to see terrible conditions as they get closer to or through maturity, but conditions are mostly favorable for developing wheat, even despite the cold. -DTN

**ARGENTINA (CORN/WINTER WHEAT):** The corn harvest is still far behind schedule. Cold temperatures over the last week have kept growth slow for winter wheat. 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):** Conditions have been rather favorable for most crops across the continent. A system in the central 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):** Heat that has built into the region since the weekend will be a mainstay through the rest of 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. Conditions are favorable for maturing winter wheat, however. Showers will start to move into western portions of the region this weekend, dropping temperatures by several degrees. It may take until the middle of next week to do so for Russia. -DTN

**CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS):** Scattered showers in the area over the last several days have been 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 the next week. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA):** Conditions are very good for developing wheat and canola. Periods of showers have been rather consistent and continue to be so for the next week. -DTN

**CHINA (CORN/SOYBEANS):** Conditions are mostly favorable over the northeast for developing corn and soybeans. -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 43 Ringgits
- > Dalian Futures Exchange were mostly lower Sept Corn up 5 to the Yuan, Sept Beans down 45, Sept Meal down 10, Sept Bean Oil down 36, Sept Palm Oil down 42
- > Asian Equity Markets were mixed, Japan's Nikkei flat, China's Shanghai flat
- > European Equity Markets are mixed to higher, German Dax up .6%, London FTSE up .2%
- > MATIF Markets are mixed to lower, Aug Corn down .25 to the Euro, August Rapeseed down 3.50, Sept Wheat down .25
- > Save the Date...June 24<sup>th</sup>...1Q GDP...expected unchanged from prior reading at 6.4%
- > Save the Date...June 30<sup>th</sup>...Grain Stocks and Planted Acres
- > Save the Date...July 1<sup>st</sup>...Next meeting of OPEC+ Media outlets citing OPEC+ sources say the group is considering loosening production curbs by 0.5 million bpd in August. -QT

The group next meets on July 1st to discuss next production steps.

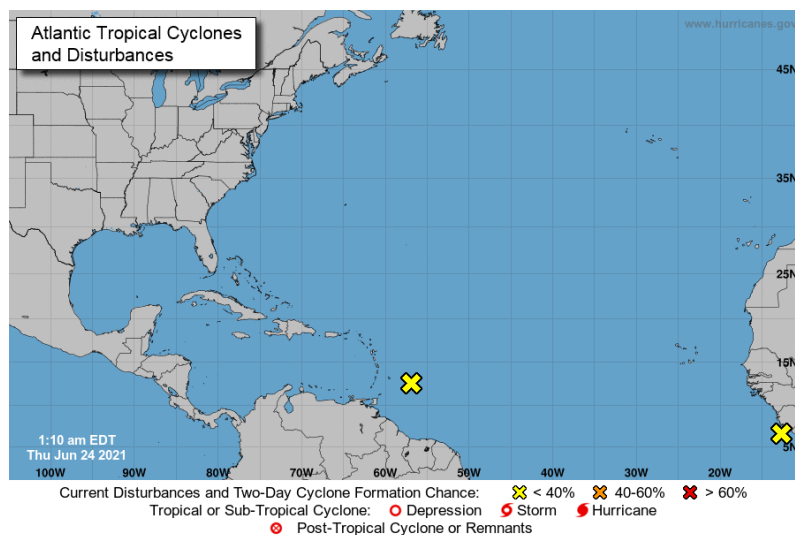
- > Save the Date...July 2<sup>nd</sup> US Unemployment number
- > Save the Date...July 5<sup>th</sup>... US National Holiday
- > Save the Date...July 12<sup>th</sup>...US Crop Production and S&D Reports
- > Save the Date...July 31<sup>st</sup>...US Government set to run out of Money
- > ASF Philippines cannot shake it 2.0 [Cebu boosts measures vs ASF – Manila Bulletin \(mb.com.ph\)](#)
- > May not Bird Flu but Yikes [Mystery illness strikes down birds across US south and midwest \(msn.com\)](#)
- > FAW all quiet for one day
- > Record Heat not just a PNW thing [120-year record in jeopardy as Moscow sizzles under rare, historic heat wave - UPI.com](#)
- > Locust good news for India...not this year [Experts rule out locust threat this season - Hindustan Times](#)
- > Fun on the high seas? [Vladimir Putin Warns of 'Unpredictable Incidents' as U.K. Denies Russia Fired on Warship \(msn.com\)](#)
- > US Weekly Jobless Claims at 7:30 AM CDT expected at 380,000 s. last week's 418,000
- > Weekly USDA Export Sales at 7:30 AM CDT wheat expected between 300-500,000 MT, corn 500-700,000 MT, beans 700-900,000 MT, meal 100-300,000 MT, oil 5-25,000 MT

## Commentary

This week FED Chairperson Powell as assured the world markets that inflation in the post Covid world are issues that are being watched and that calm down everyone the FED needs to see more progress on the restart

of the US economy before they will start to taper their Covid monetary policies. This in turn has allowed the Ag markets to do what they do best and that is focus on every new satellite download to try to micromanage the weather. This in turn will allow the market to turn its attention to next week's USDA planted acres and Quarterly Grain Stocks reports. In March, the USDA pegged corn acres at 91.344 million and bean acres at 87.6 million. Bull and bears would agree that both these number come next week will be moved higher. Bears are hoping for numbers close to IHS's which has corn acres at 96.539 million and beans at 89.065. A private firm yesterday had corn acres at 92.5 million and beans at 89.4 million. ProFarmer came in at 93.6 million and beans at 88.7 million. FBN was at 92.9 million and beans at 87.6 million. The bottom line in years were carryouts are tight every acre is needed, the games leading up to the reports have begun.

Atlantic season starting to get active



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