

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 10 to 12 higher

Wheat 6 to 8 higher

Beans 8 to 10 higher

Soy Meal 2.0 to 2.5 higher

Soy Oil 20 to 25 higher

The Stories of the Day:

US Wildfires Update [Huge Oregon blaze grows as wildfires burn across western US \(sfgate.com\)](https://www.sfgate.com)

Wildfires not just a US thing [Wildfires Rage In Russia's Siberia, Cause Airport To Close \(barchart.com\)](https://www.barchart.com)

EU flood waters move South [Europe Floods Move South and East as Rains Hit Germany, Austria - WSJ](https://www.wsj.com)

Mr. Eastwood, see you on down the road [Clint Eastwood Signals the End, Says It's 'Too Late' to 'Age Gracefully' Anymore \(msn.com\)](https://www.msn.com) [Eastwood- A Man's Got to Know his Limitations - Bing video](#)

Weather: There is a trough off the coast of British Columbia, a strong ridge building across the Rockies

and Canadian Prairies, and a trough across the South and Southeast. A disturbance over Hudson Bay will move southeast and build a trough in the Northeast by midweek. The low off British Columbia will take the top off the ridge as it moves through Canada Thursday through the weekend. But the ridge will continue to remain firm across the Rockies into next week as it pushes the Northeast trough offshore. The U.S. and European models are in general agreement. I will favor the European with differences. For the outlook period, temperatures on Saturday will be above normal across the Northwest and North-Central and near to below normal elsewhere. Above normal temperatures are likely to spread eastward next week. A frontal boundary will move through the northern tier of the country next weekend. The front to the system should push farther south but is forecast to become more inactive. Another front will push through the northern tier of the country in the middle of next week with some isolated showers. Meanwhile, daily showers and thunderstorms will continue across the South and Southeast. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Some isolated showers developed this weekend, but most areas stayed dry as temperatures rose into the 90s. Some showers may develop near the Canadian border this week, but most areas are likely to remain dry as triple-digit heat becomes fairly widespread. Stress continues to mount for developing to reproductive corn and soybeans and has taken a massive toll on spring wheat. A front may bring some scattered showers Friday but will be followed by continued heat and little chance for meaningful precipitation for the rest of the July. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Scattered showers moved through this weekend, with pockets of moderate to heavy rainfall, mostly across central Nebraska and northeast Oklahoma. Some areas dodged showers altogether. The region will get quieter this week, but temperatures should remain on the mild side until Friday. Overall, conditions will be favorable for the remaining wheat harvest and developing to reproductive corn and soybeans. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Heavy rainfall continued to push south with a front this weekend. A frontal boundary will slide south into northern sections of the region this week, producing some isolated showers. Another front will move through the region with more scattered showers this weekend. Temperatures will be above normal for northwestern areas that will continue to be drier as well, continuing to

stress developing to reproductive corn and soybeans. Conditions continue to be much better across the southeast. Drier conditions this week will favor development in the southeast, allowing more saturated soils to drain. -DTN

DELTA (SOYBEANS/COTTON): Scattered showers moved into the region with a front this weekend, and were heavy across portions of Arkansas and Mississippi, where flooding was a concern last month. Otherwise, scattered showers will remain in the region through the week, being mostly favorable for developing to reproductive cotton and soybeans. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Daily scattered showers and thunderstorms continue to produce favorable conditions for developing to reproductive cotton for the next week. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Some isolated showers moved across the region this weekend but were focused across the north. Limited shower activity and temperatures above normal will continue to stress reproductive to filling wheat and canola for the next week. -DTN

BRAZIL (CORN/WINTER WHEAT): Scattered showers moved through southern areas over the weekend, helping vegetative wheat. But temperatures fell harshly as a front moved through. Some limited frost was possible across Parana and Rio Grande do Sul on Sunday and will be possible again Monday and Tuesday mornings as well, harming remaining filling corn. Dry weather this week will not be favorable for crops. -DTN

ARGENTINA (WINTER WHEAT): Dryness continues for the next week. Even with limited rainfall recently, soil moisture continues to be favorable for most of the winter wheat areas. -DTN

EUROPE (SPRING WHEAT/CORN): A system brought scattered showers to eastern areas this weekend, benefiting drier areas. Dryness in Germany helped the region to recover from flooding. Outside of some localized areas that are having issues, favorable conditions are noted for most of the growing regions for wheat and corn. As the system slowly moves out of the east, drier conditions are expected this week. The next system moves into western areas Friday into the weekend. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Hot temperatures were noted over the weekend and any showers were relegated to northern areas that have been drier than the south. Even with the heat over the last week, most areas have had enough soil moisture to get by except for the Volga Valley region of Russia. Dryness here may have had some negative impacts to wheat and corn with the heat. The system over eastern Europe will slowly move through the region this week, offering some shower activity and a break from the intense heat. Dryness follows the system through next weekend, however, and more showers would be welcome for those areas that get missed this week. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Some scattered showers moved through this weekend, which was beneficial for spring grains, though damage has been severe earlier this season. Showers over eastern areas will continue better overall conditions in this portion of the region while western areas dry out. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): An active storm track will continue to bring periods of showers to the region over the next week, maintaining overall favorable conditions for vegetative winter wheat and canola in most areas.

CHINA (CORN/SOYBEANS): Periods of widespread showers and relatively stable temperatures continue favoring developing corn and soybeans. -DTN

INDIA (COTTON/SOYBEANS): Monsoon showers have been a little disappointing in the northwestern quarter of the country thus far, but are in the area. Some cotton areas are doing better than others due to the discrepancy. Showers have been much more consistent and heavier across the east and south for soybeans. This pattern likely continues over the coming week. -DTN

Headlines

- > Malaysian Sept Palm Oil is up 27 Ringgits
- > Dalian Futures Exchange were mostly higher Sept Corn down 42 to the Yuan, Sept Beans up 87, Sept Meal up 66, Sept Bean Oil up 102, Sept Palm Oil up 150
- > Asian Equity Markets were mostly lower, Japan's Nikkei down 1.3%, China's Shanghai down .1%
- > European Equity Markets are lower, German Dax down 1.1%, London FTSE down 1.5%
- > MATIF Markets are higher, Aug Corn up 1.00 to the Euro, August Rapeseed up .75, Sept Wheat up 1.50
- > Save the Date...July 28th...FOMC Meeting Results
- > Save the Date...July 29th...2Q US GDP
- > Save the Date...July 31st...US Government set to run out of Money
- > Save the Date...Aug 6th...US Employment Numbers
- > Save the Date...Aug 11th...Mountain Day in Japan
- > Save the Date...Aug 12th USDA Crop Production and S&Ds
- > Save the Date...Aug 16th...NOPA Crush
- > South Africa, Zuma's trail resumes [Zuma corruption trial resumes after deadly South Africa unrest \(msn.com\)](#)
- > Brazil's President on the mend [Brazil President, Jair Bolsonaro, discharged from hospital after successful treatment for hiccups \(msn.com\)](#)
- > ASF...**Red Alert Red Alert** total of three farms with cases [Germany has another African swine fever case in farm pigs | Reuters](#)
- > Locust/FAW quiet today
- > Bird Flu [Ghana Confirms Bird-Flu Outbreak With 600,000 Animals at Risk - Bloomberg](#)
- > Grasshoppers in Canada ['It's like a horror movie': Hordes of grasshoppers invade Lethbridge, Alta. neighbourhood | CTV News](#)
- > Russia set to raise domestic bread prices [Russian bread makers plan to raise prices due to higher costs - Kommersant | Reuters](#)
- > China Flooding [Two dams collapse in Inner Mongolia, flooding farmland | South China Morning Post \(scmp.com\)](#) [Floods hit cities, villages across China after torrential rains - CGTN](#)
- > CFTC MM Funds Position Report as of the close of 7/13 showed that the MM Funds were short Chicago 23,636 wheat, long 21,667 KW, long MW 8,972 long 208,799 corn, long 82,733 beans, long 16,704 meal, and long 48,927 bean oil contract

Commentary



Monday, July 19, 2021

The Great Rowdy Roddy Piper once said just when you have all the answers, I change all the questions. The Great Rowdy Roddy Piper would have made an excellent supply side bull. In a Goldilocks Summer we supply side bulls are constantly pointing out that there are just not enough acres that are just right to justify the trade in thinking the path to the USDA corn yield number of 179.5 bushels an acre will be achieved. Some in the trade doubt we will be able to achieve the previous all-time record yield of 176.6 bushels an acre. Yes, just as the bear answered these question back on July 6th with a 20 cent gap lower opening, pollination weather for the gut slot of the Corn Belt is going well. That said the supply side bull is now pointing that June weather in the WCB combined with a stretch of above normal temps and drier conditions now expected to end the month of July, the weather bull is saying that these two events alone will knock the top end off of the national corn yield number. The bottom line, to start this week, we supply side bulls, in the memory of the Great Rowdy Roddy Piper, are here to Kick A** and Chew Bubble Gum, and we are all out of Bubble Gum.

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.