

# MORNING GRAIN COMMENTARY

## Morning Trends:

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as of 5:00 AM CST  
 Corn 2 to 4 lower  
 Wheat 3 to 5 lower  
 Beans 1 to 3 higher  
 Soy Meal 3.0 to 3.5 lower  
 Soy Oil 65 to 70 higher

## The Stories of the Day:

Looks like it is back to Sichuan Chicken [Swine fever surge hits small farms in China's Sichuan | Reuters](#)

It's Back, as if it ever went away [La Nina: What to expect from the return of this climate pattern \(usatoday.com\)](#)

Hey we all have a little Cliff Clavin in us [50 Weird Facts About All 50 States That Will Make You a Trivia Champion \(msn.com\)](#)

[The Who Live at Leeds](#) [The Who- Summertime Blues - YouTube](#)

**Weather:** There is a ridge over the West, a disturbance in the Pacific Northwest, a trough in the Midwest, and Tropical Storm Elsa moving up the Northeast. The Midwest trough weakens over the next day or so while the disturbance in the Pacific Northwest moves through the Western ridge and deepens in the Plains and Midwest this weekend, slowly weakening and moving northeastward early next week. Another disturbance will move east through the ridge and bring another system through the northern tier of the country next week. The ridge in the West looks to remain rather firm in the face of troughs moving through it. The U.S. and European models are in general agreement, but I will favor the European. For the outlook period, temperatures on Wednesday will be near to below normal across the Plains and western Midwest and near to above normal elsewhere. Temperatures will gradually warm through the period for most areas, though remain near to below normal across the Southern Plains. A system will move through the Northern Plains on Wednesday and across the rest of the northern tier over the following day or two. The front to the system may stall across the Central Plains into the Midwest with more shower potential through next weekend. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS):** Scattered showers will move through the region through Saturday, offering some drought relief for a few lucky areas. Another system next week may do the same. There will undoubtedly be some areas that remain dry or only see limited showers, which could be larger than those lucky areas. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Several fronts will continue to offer chances for rain, especially for Nebraska and Kansas for developing to reproductive corn and soybeans, two states that have had some of the best crop conditions so far this year. Remaining wheat in the field will find some harvest delays where the showers occur. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** Several chances for rainfall over the last week and through the next week will keep bringing in favorable moisture for developing to reproductive corn and soybeans. There are some notable exceptions through the northwestern crop areas, where deficits have been larger, and drought has been more steady. The chances for rain are not as widespread as are needed across the region, and there are likely to be areas still needing more rain. -DTN

**DELTA (SOYBEANS/COTTON):** Periods of showers both recent and forecast are keeping prospects fairly good for developing to reproductive cotton and soybeans for most areas over the next week. -DTN

**SOUTHEAST (COTTON/LIVESTOCK):** Heavy rainfall from Tropical Storm Elsa has created some flooding, but damage has been rather minimal as the system has moved through. Generally favorable conditions for developing to reproductive cotton continue across the region for the next week with several chances for additional rainfall. -DTN

**CANADIAN PRAIRIES (SPRING WHEAT/CANOLA):** Some scattered showers moved through this week but have generally been light. A system will move through early next week with some scattered showers, but again amounts look to be mostly light while temperatures will continue to be above normal. Stress for developing to reproductive wheat and canola continues to increase. -DTN

**BRAZIL (CORN/WINTER WHEAT):** Frosts last week caused widespread damage to immature corn across southern growing areas. Dry weather since and for the next several days will continue to cause stress. There is a chance that southern areas see some rainfall late next week, but amounts are likely to be scattered and mostly light. Vegetative winter wheat has likely been faring better with more widespread showers and better soil moisture. The crop may have been damaged by the frosts last week, but likely came out with minimal impact. -DTN

**ARGENTINA (WINTER WHEAT):** Small areas of Buenos Aires will see some shower activity Friday with better chances for much of the wheat areas early next week. Conditions are mostly favorable for vegetative wheat. -DTN

**EUROPE (SPRING WHEAT/CORN):** Periods of showers continue to move through western and northern areas for the next week but will have a hard time translating to eastern and southern areas, where showers are needed a bit more. Still, overall conditions remain favorable for most of the continent. -DTN

**UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS):** A drier and hotter pattern is setting up for the Black Sea region into next week with only isolated areas of showers. Still, recent conditions have been very favorable for most of the growing regions outside of the Volga region in Russia that has seen extreme temperatures and fairly dry conditions this season. -DTN

**CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS):** Periods of scattered showers moving through Kazakhstan are providing further relief to developing spring grains, though damage may have already occurred in many of these areas from the heat and dryness this spring and early summer. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA):** Periods of showers are maintaining overall favorable conditions for vegetative winter wheat and canola in most areas. -DTM

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

**INDIA (COTTON/SOYBEANS):** Monsoon showers have tapered off in some key areas of central and northern India and have delayed planting. Showers have been much more consistent and heavier across the east and south. Forecasts indicate rains may increase across these drier areas over the next week. -DTN

#### Headlines

> Malaysian Sept Palm Oil is up 103 Ringgits

> Dalian Futures Exchange were mostly higher Sept Corn down 3 to the Yuan, Sept Beans up 45, Sept Meal up 17, Sept Bean Oil up 68, Sept Palm Oil up 100

> Asian Equity Markets were mixed to lower, Japan's Nikkei down .6%, China's Shanghai down .1%

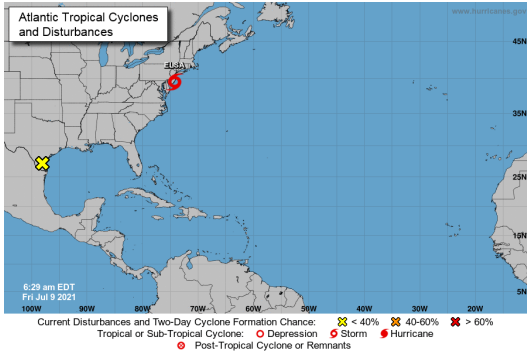
- > European Equity Markets are higher, German Dax up 1.0%, London FTSE up .9%
- > MATIF Markets are mixed, Aug Corn down 1.50 to the Euro, August Rapeseed up 7.50, Sept Wheat down .75
- > Save the Date...July 12<sup>th</sup>...US Crop Production and S&D Reports
- > Save the Date...July 15<sup>th</sup>...NOPA Crush
- > Save the Date...July 28<sup>th</sup>...FOMC Meeting Results
- > Save the Date...July 29<sup>th</sup>...2Q US GDP
- > Save the Date...July 31<sup>st</sup>...US Government set to run out of Money
- > ASF see top stories...but not helping things in Sichuan [China evacuates 100,000 as floods threaten heritage site | The Asahi Shimbun: Breaking News, Japan News and Analysis](#)
- > Australia/China still not getting along [Australia denies meddling in PNG rollout of Chinese jab \(msn.com\)](#)
- > Not at the locust stage but grasshoppers a thing in Utah [Grasshopper invasion adding to plight of Utah farmers | KSL.com](#)
- > Bird Flu, well US Song Bird Flu [Local experts say mysterious bird disease yet to be reported in Illinois, but recommend cleaning bird feeders - Chicago Tribune](#)
- > Wells Fargo [Wells Fargo shuts down all personal lines of credit, sparking outrage \(msn.com\)](#)
- > Weekly Export Sales at 7:30 AM CDT wheat expected between 200-400,000 MT, corn 500-700,000 MT, beans 500-700,000 MT, meal 100-300,000 MT, and bean oil 5-25,000 MT

## Commentary

The best cure for high prices as always been high prices...high prices are the parents of innovation. Given the drought that has impacted spring crops in the N. Plains and Canadian Prairies combined with the low protein HRW crop it is clear that high prices for milling quality high protein wheat around the world will be on the rise. This can only mean one thing the Research and Development crowd for millers around the world will be working overtime to come up with new mixes that do not have to rely so much on the high protein wheat. The R/D crowd are going to have to be creative in figuring out ways to stretch the spring wheat proteins by using more than expected lower protein HRW. The bottom line while Russia, Romania and Australia continue to dominate the world wheat trade, here in the states the US and Canadian Spring wheat crops will have to stay home to feed the domestic baker. On top of that US HRW and to a lesser extent SRW might find unexpected demand from the domestic miller this year. Between the Southwest protein feeders and now the domestic N. America baker, US winter wheat farmers could find new demand for their wheat this year.

They do grow crops in S. TX

Friday, July 9, 2021



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.