

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 1 around

Wheat 6 to 8 lower

Beans 5 to 7 lower

Soy Meal 1.5 to 2.0 lower

Soy Oil 60 to 65 lower

The Stories of the Day:

Pakistan [Pakistan's hand in the Taliban's victory \(msn.com\)](#)

West Coast Fire Season rages on ['Get out now': Monstrous Dixie Fire moves closer to small California town; Candor Fire threatens more communities \(msn.com\)](#)

Russian Fire Season rages on [Russian firefighters battling wildfires engulfing 1.5 mln hectares \(news.az\)](#)

Covid booster shots [Covid-19 Booster Shot to Be Offered to People Fully Vaccinated With Pfizer, Moderna - WSJ](#)

Weather: There is a trough building into the West and a ridge building in eastern Canada. A

couple of disturbances around the trough will pulse through western North America through the weekend with the last pulse moving through Canada in the middle of next week. Behind the trough, a ridge will rebuild in the Western U.S. The U.S. and European models have some differences. I will favor the European. For the outlook period, temperatures on Monday will be near to below normal in the Northern Plains and near to above normal elsewhere. Cooler temperatures may spread back south through the rest of the Plains and possibly the Midwest after the last system moves through. A smaller system will move through the Northern Plains and Upper Midwest early next week. Another system will move across the northern tier of the country next week. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A system developing in the region may not have much precipitation with it Wednesday but should bring scattered showers across the region on Thursday and Friday. Coverage with this system looks fairly widespread, but there will undoubtedly be some holes. Any rainfall would be good for filling corn and soybeans. There will be two more systems that follow closely behind it through early next week to provide more rainfall as well and could plug up the holes. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Scattered showers continue across Oklahoma and Texas with isolated showers in Kansas and Nebraska for the next couple of days. A frontal boundary sweeps through the region late in the week with more scattered showers across the north. The region may even stay active into next week with a couple of systems moving across the north as well. Any rainfall would be good for filling corn and soybeans. -DTN

MIDWEST (CORN/SOYBEANS): Some showers will drift northward over the eastern Midwest over the next couple of days while the west stays dry. Rain from Fred's remnants is moving through eastern Ohio where some flooding may occur. Models disagree with a system that will come through this weekend but should bring some widespread rainfall to the region. Another two systems will follow behind it going through next week with better chances across the west. Any rainfall will benefit filling corn and soybeans, especially across the drier northwestern areas. -DTN

DELTA (SOYBEANS/COTTON): Some dry spots have popped up recently and could use more moisture. Isolated to scattered showers will continue to be possible through the weekend, however, and should help those drier areas for filling cotton and soybeans. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Tropical Storm Fred produced heavy rainfall through eastern Alabama, Georgia, and the western Carolinas earlier this week. Some flooding was noted and could have been damaging to cotton. Scattered showers will continue through the weekend with more isolated showers next week. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): A system slowly moving through this week will bring pulses of scattered showers. It will likely not have any noticeable impact on wheat and canola but could improve conditions for corn and soybeans in the east. More showers are expected with two more systems into the middle of next week. The rains will disrupt harvest conditions, however. -DTN

BRAZIL (CORN/WINTER WHEAT): Dry conditions are likely for most of the country through the week, with slight chances for showers over southern areas later this week and weekend as a front settles into Rio Grande do Sul. Winter wheat that is getting further into reproduction still needs more moisture across southern areas as soil moisture remains on the lower end of normal for most areas. -DTN

ARGENTINA (WINTER WHEAT): Temperatures above normal will fall as a front slowly slips north this week. The front may produce some isolated showers, but they are not looking widespread. Winter wheat could use more moisture as it develops further. -DTN

EUROPE (SPRING WHEAT/CORN): Recent dryness or only isolated showers have been favorable for winter wheat harvest while there is mostly good soil moisture for spring and summer crops. The isolated showers continue for the next several days with the next best chance for widespread rainfall coming with a system slowly moving through the continent this weekend into next week. Overall conditions remain favorable in most areas. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): The Volga Valley of Russia has been hot and dry for the last few weeks with stressful conditions for spring wheat and corn. A front is moving through Ukraine over the next couple of days but will probably lose a lot of its shower activity as it passes through Russia this weekend into early next week. Temperatures will continue to be hot in western Russia until this system moves through, as wheat and corn conditions decline. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Isolated showers in eastern areas will likely remain the case through over the next several days. There is a large contrast in crop conditions with poor conditions across the west and south and good conditions in the northeast that does not look to change any time soon. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Mostly dry conditions continue this week and northeastern areas of New South Wales and Queensland could use more moisture while the rest of the crop areas are doing very well. Southern areas may see isolated showers. Irrigation levels remain adequate in the northeast, but more rainfall would be very helpful. -DTN

CHINA (CORN/SOYBEANS): Scattered showers continue across the wetter corn and soybean areas for the next week, keeping soil moisture high, but unfavorably so in some areas. Most of the flooded areas from July have had a chance to dry out a bit more, but there remains some concern about production for some areas. -DTN

INDIA (COTTON/SOYBEANS): The monsoon has become a little less active across western and southern areas, but a monsoon low will likely spread showers back toward the west this week. It may be temporary as it breaks down this weekend, causing some concern about soil moisture for developing cotton and soybeans. -DTN

Headlines:

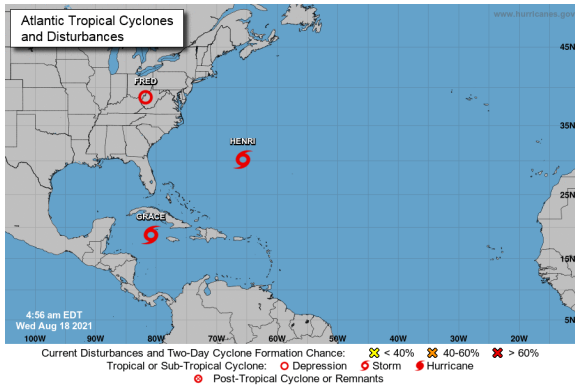
- > Malaysian Oct Palm Oil down 105 Ringgits
- > Dalian Futures Exchange were mixed Jan Corn down 16 to the Yuan, Jan Beans down 5, Jan Meal down 25, Jan Bean Oil down 100, Jan Palm Oil down 184
- > Asian Equity Markets were mostly higher, Japan's Nikkei up .6%, China's Shanghai up 1.1%
- > European Equity Markets are mostly lower, German Dax down .3%, London FTSE down .3%
- > MATIF Markets are mixed, Nov Corn unchanged to the Euro, Nov Rapeseed down 4.0, Sept Wheat unchanged
- > Save the Date...July 31st...The clock is now ticking on US debt ceiling
- > Save the Date...Aug 16th-19th...the annual ProFarmer Corn Belt Crop Tour
- > Save the Date...Aug 26th...2Q US GDP
- > Save the Date...Aug 30th...London Summer Bank Holiday
- > Bird Flu/ASF/FAW/Locust all quiet today
- > Grasshoppers and winter wheat [Grasshoppers and winter wheat | Community | capjournal.com](#)
- > GASC in looking for wheat...Oct 5-15th
- > FED July Meeting notes published today
- > Kansas City Southern delays Thursday takeover vote [Kansas City Southern delays shareholder vote on CN's \\$33.6 billion takeover bid \(msn.com\)](#)

Commentary

Overnight volume has been light. The only think lighter than the overnight volume has been the passion to create new positions, the dog days of summer are at their apex. This lack of passion is one of the reasons wheat did what it did yesterday. Modest long liquidation of spec length yesterday on the idea that Black Sea values have formed a top led to a sharp sell off in wheat values. Contributing to the sell off is the idea that the USDA was too harsh in their reduction of Russian wheat production. That said world wheat stocks MoM have been reduced. Major exporter stocks to end use have tighten up dramatically. This means wheat available for feed usage is on the decline as well. One case in point is Canada where the USDA has trimmed 1.2 MMT of wheat feedings from domestic Canadian feed numbers. Combine that with the rough shape of the grasslands in Canada and it is no wonder that corn moving north is on the rise.

The Pattern remains full

Wednesday, August 18, 2021



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