

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 1 to 3 lower

Wheat 6 to 10 lower

Beans 6 to 8 lower

Soy Meal 1.5 to 2.0 lower

Soy Oil 3.0 to 3.5 lower

The Stories of the Day:

Old news to the trade but national media back on the beat [Extreme heat and drought are crushing key crops and punishing U.S. farmers \(msn.com\)](#)

China slams US report on Covid [China slams U.S. intelligence report on origins of coronavirus pandemic \(msn.com\)](#)

Afghan update [Biden says Afghan evacuation on track; humanitarian crisis looms \(msn.com\)](#)

Weather: There is a trough in the Pacific Northwest, another in central Canada, a ridge from the South to eastern Canada, and several disturbances in the Northern Pacific. The pattern will remain active over the next 10 days as several disturbances from the Northern Pacific move into the Pacific Northwest, then east through the U.S.-Canada border region. The ridge will hold firm through the weekend before breaking down. The U.S. and European models both keep the pattern active but disagree on how to develop disturbances especially in the extended range. I will favor the European with differences. For the outlook period, temperatures on Monday will be near to below normal in the Northern Plains and near to above normal elsewhere. Passing systems may bring cooler temperatures to portions of the Plains and Midwest through the period while other areas continue to show the tendency for above normal temperatures. A system may leave a front across the Central Plains and Midwest for early next week while another system moves across the Northern Plains and Midwest around the middle or end of next week. **The country will also have to watch for a potential tropical system that enters the Gulf of Mexico over the weekend with landfall just about anywhere along the Gulf Coast.** -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Scattered showers have been traversing the region since last Thursday. Much of Montana and North Dakota have seen favorable and beneficial rainfall, but there have been larger holes across South Dakota. The region will stay very active over the next week as several systems will move through with scattered showers and mostly below normal temperatures. The systems will help to provide rainfall for filling corn and soybeans, but the drought continues. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): Nebraska may remain fairly active as several systems pass through over the next week, but the rest of the region should see much less rainfall and temperatures will be higher. Mixed conditions continue to leave some areas doing well while others are in need of more moisture. With winter wheat planting coming up soon, the region will need to see more shower activity and cooler temperatures to be favorable. -DTN

MIDWEST (CORN/SOYBEANS): Scattered showers have fallen across the west since last Friday, with some showers making it into the east on Tuesday. While many areas did see beneficial rainfall across the west, there have been large holes as well. The whole region will stay active for at least the next week as several systems pass through, especially across the west. This should be overall favorable for filling corn and soybeans, but not everyone will see rainfall and there could be more severe weather. -DTN

DELTA (SOYBEANS/COTTON): Isolated to scattered showers moved through over the weekend, helping to fill in some drier spots that have shown up recently. There may be some isolated showers this week, but dryness should be the overall picture for the week across the region. There may be more stress that develops for filling cotton and soybeans. A tropical system is expected to move into the Gulf of Mexico over the weekend. While landfall could be anywhere across the coast, the more likely scenario right now is for it to move close to the region, which could bring heavy rainfall early next week. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Scattered showers developed over the weekend, benefiting filling cotton. Isolated to scattered showers will continue in the region over the next week. A tropical system is expected to move into the Gulf of Mexico over the weekend. Landfall could be anywhere across the coast and may bring more heavy rainfall to the region early next week. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Drought continues to have a tight grip on the region. Winter wheat planting is unlikely to start until more favorable moisture develops. No significant precipitation is forecast for the next two weeks despite several systems moving through the region. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Scattered showers have fallen across a good portion of the region over the last week, with heavy rain in spots, especially in Saskatchewan and Manitoba. The rain is mostly too late for the current year's crop except for some corn and soybeans in Manitoba. But the rainfall will help to ease the extreme drought in the area. Several more storms are expected to produce more rainfall over the course of at least the next week that should be beneficial as well. Instead, harvest delays are expected due to the rainfall. -DTN

BRAZIL (WINTER WHEAT): A front across the south will push north into Mato Grosso do Sul, Parana, and Sao Paulo by the end of the week. The rainfall will be beneficial for developing to reproductive wheat where it occurs, but soil moisture continues to be below normal, and more rainfall is needed. More moisture is needed, especially farther north as the country awaits the start of the wet season before significant spring planting starts. -DTN

ARGENTINA (WINTER WHEAT): Most of the county continues to have below normal soil moisture, though it should be adequate for wheat at this point in the growing season. Colder temperatures with occasional frosts over the last month have slowed development of wheat, and there have also been spans of hot temperatures as well. Temperatures will rise this weekend and the region could really use some more rainfall as wheat develops more. The next chance for rain does not come until the middle of next week, however. -DTN

EUROPE (SPRING WHEAT/CORN): A system is diving south into the eastern half of the continent. This system should stall out several days with scattered showers continuing while western areas dry out a bit. Conditions are good for most of the spring and summer crops while it is difficult to harvest in some areas. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): A front slowly moved through the area over the last several days, but rainfall mostly missed of the Volga Valley region of Russia where stress has been continuing to mount over the last several weeks. Temperatures should be on the increase this week and be hot again this weekend and through much of next week. A system spinning over central and eastern Europe may bring some isolated showers through the region later this week and weekend, but coverage and amounts should be better for Ukraine as opposed to Russia that needs it more.

AUSTRALIA (WINTER WHEAT/CANOLA): Developing to reproductive winter crops are in good shape for most of the country but could use more rainfall across northern New South Wales and Queensland. A system that moved through early this week helped with some, but the region will go drier again afterward. Irrigation supplies are currently adequate. -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): Last week, the monsoon became a little more active, bringing showers back into central cotton and soybean areas, but the monsoon has weakened again with showers more toward the southern and eastern ends of the country will continue over the next week. This will cause concern over moisture for reproductive cotton and soybeans. -DTN

Headlines:

- > Malaysian Nov Palm Oil up 23 Ringgits
- > Dalian Futures Exchange were higher Jan Corn up 3 to the Yuan, Jan Beans up 93, Jan Meal up 21, Jan Bean Oil up 140, Jan Palm Oil up 134
- > Asian Equity Markets were mixed, Japan's Nikkei down .1%, China's Shanghai up .7%
- > European Equity Markets are mixed to higher, German Dax up .3%, London FTSE up .2%
- > MATIF Markets are lower, Nov Corn down .75 to the Euro, Nov Rapeseed down 1.25, Dec Wheat down 3.25...note Sept wheat down 9.25
- > Save the Date...July 31st...The clock is now ticking on US debt ceiling
- > Save the Date...Aug 26th...2Q US GDP...YoY expected at 6.7%
- > Save the Date...Aug 26th-28th...Jackson Hole Economic Policy Symposium...Keynote Address by FED Chairperson Powell on Aug 27th
- > Save the Date...Aug 30th...London Summer Bank Holiday
- > Save the Date...Sept 3rd...US employment numbers
- > Save the Date...Sept 6th...US Labor Day
- > Save the Date...Sept 7th...Planned nation wide rallies in support of President Bolsonaro of Brazil
- > Might have to cancel that S. African trip ASF and Rabies [Cape Town fighting swine fever and rabies outbreaks | Food For Mzansi](#)
- > More Bird Flu for Ghana [Bird flu hits Bibiani Anhwiaso Bekwai Municipality - MyJoyOnline.com](#)
- > Locust all quiet for the moment
- > Fall Armyworm the Philippines go on the offensive [ASEAN launches digital action plans to empower Filipino farmers against fall armyworms – Manila Bulletin \(mb.com.ph\)](#)
- > Grasshoppers if you can not stop them, eat them [Swapping Grass For Grasshoppers? This Researcher Wants Bugs To Be On The Menu For Livestock Feed. | KUT Radio, Austin's NPR Station](#)
- > Big and in the Pandemic getting bigger, US meat industry vs. President Biden's team [Meat wars: why Biden wants to break up the powerful US beef industry | Meat industry | The Guardian](#)

> EIA weekly stocks numbers at 9:30 AM CDT, WoW crude oil stocks are expected to be down 2.70 million barrels, gasoline stocks down 1.60 million barrels...API number last night had crude oil stocks down 500,000 barrels, gasoline stocks down 1.0 million barrels...one note many in the trade feel for the first time in weeks WoW ethanol production will be slightly higher

> Mexico Platform Firm update [Fitch: Platform Fire Puts Dent in Pemex's Output \(oedigital.com\)](#)

> What??? When did this happen??? [Algeria ends diplomatic ties with Morocco citing 'hostile acts' \(rfi.fr\)](#)

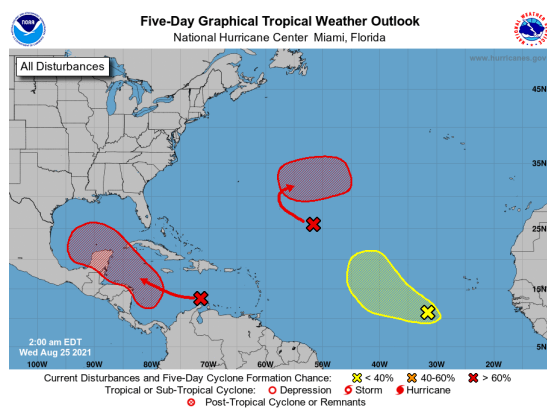
> And over in E. Africa [UN to withdraw Ethiopian peacekeepers on Sudan's request — Khartoum | Jordan Times](#)

> Reliable Suppliers 2022, Brazil Edition [Brazil Governors Concerned Over Bolsonaro Support Among Military Police | World News | US News](#)

Commentary

N. American feed grain production is more than just US corn yields. N. American feed grain production is more than just US feed grain production. There are a lot of animals that need to be fed in Mexico, the US and Canada. Lots of these animals depend on the graze lands of all three countries, graze lands that have been impacted by the N. America drought. On top of all this with the expansion of plant based foods, the battle for planted N. America acres has become all the more competitive. The expansion of oats in the N. America diet is a great example. All this means is that what was once taken for granted, such as the StatsCan August production numbers out Monday, takes on new importance and so with that: Barley production at 7.4 mln mt, that compares to last year's 10.74 mln mt, Oat production at 3.0 mln mt, that compares to last year's 4.58 mln mt, Canola production at 14.1 mln mt, that compares to last year's 18.72 mln mt, All Wheat production at 22.6 mln mt, that compares to last year's 35.18 mln mt, Spring Wheat production is seen at 15.9 mln mt compared to the 25.84 mln mt last season, Durum wheat output is forecast at 4.1 mln mt compared the 6.57 mln mt last season.

SE TX/NE Mexico time to start thinking about it?



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.