

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 4 to 6 higher
Wheat 1 to 3 higher
Beans 8 to 10 higher
Soy Meal 1.0 to 1.5 higher
Soy Oil 70 to 75 higher

The Stories of the Day:
Mr. Kim wants some attention North Korea test-fires two ballistic missiles just days after cruise missile launch (msn.com)
5th biggest economy in the world recall election update California Gov. Gavin Newsom beats back GOP-led recall (msn.com)
TX Hurricane update Nicholas hits Texas coast, but weakens in strength: could still bring 'life-threatening' flash flooding in the South (msn.com)
CA Wildfires Ancient sequoia trees threatened by growing wildfire in California's Sierra Nevada (msn.com)

Weather: There is a broad ridge across the southern half of the U.S., a trough in eastern Canada, and another moving into western Canada. The ridge will shift to the East, but the parade of troughs will continue to move through Canada through next week. The U.S. and European models have the same sort of pattern but with distinct differences in how to develop systems. I will favor the European with differences. For the outlook period, temperatures on Monday will be near to above normal for most areas with some below normal temperatures spreading through the West and potentially the Plains during the period. A system will move through much of the country next week with scattered showers and potential for heavy rain. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Several systems will move through over the next 10 days, but showers look to be isolated for the most part. This should favor maturing crops and early harvest, but the drought continues. Showers early next week may be on the heavier side, but that is not certain yet. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): Some isolated showers will be possible through the next week, but most areas should stay dry while temperatures remain above normal. This will favor maturing corn and soybeans and harvest but deplete soil moisture for winter wheat establishment. A system early next week could bring some more widespread showers to the region but that is not certain yet. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Isolated to occasionally scattered showers will continue over the next 10 days as a few systems move through while temperatures will continue to be above normal. This will favor maturing corn and soybeans and early harvest. Soil moisture is still favorable for winter wheat planting and establishment as well. A system early-to-mid next week could bring some more widespread showers to the region but that is not certain yet. -DTN

DELTA (SOYBEANS/COTTON): Tropical Depression Nicholas and its remnants could bring heavy rainfall to southern portions of the region through Thursday which could cause damage to maturing cotton and soybeans. Otherwise, isolated showers will be possible through the next week. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Tropical Storm Nicholas could bring heavy rainfall to portions of the region later this week. Otherwise, isolated showers over the next week will be possible and could affect maturing cotton as well. -DTN

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PACIFIC NORTHWEST (WINTER WHEAT): Drought continues to have a tight grip on the region. Winter wheat establishment is unlikely to find much success until more favorable moisture develops. Several storm systems will move through over the next couple of weeks but with only limited precipitation. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Southern states will stay active over the next week as a front remains stalled. This will favor winter wheat and recharge soil moisture for corn and soybeans. Central states are still awaiting the start of the wet season. Soybean planting restrictions lift this week but will need more moisture for seed-to-soil contact in these central areas before planting picks up. Models are suggesting it to stay relatively dry through the end of September with only isolated showers in Mato Grosso at times. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Dry conditions are expected for the next week. Winter wheat has gotten some moisture lately but could use more as it gets further into reproduction. And more moisture is needed for corn and soybean planting as well. -DTN

EUROPE (WHEAT/CORN): A system is slowly moving through the continent this week with scattered showers. Drier conditions would be favorable for maturing and harvest of crops to the north, but the showers will benefit winter wheat planting and establishment, especially over the south where it has been drier. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Dry weather this week has favored maturing and harvest of summer crops, but the region could use more moisture for winter wheat planting and establishment. This is especially true across Russia, where it has been overly dry this summer. Some showers will move through over the weekend and into next week which could help with that. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Favorable conditions continue for reproductive winter wheat and canola in most areas. Showers would still be beneficial in northern New South Wales and Queensland, but irrigation supplies are adequate. -DTN

CHINA (CORN/SOYBEANS): Outside of some flooding which may have occurred in July, conditions have been mostly favorable for corn and soybeans this season. Scattered showers in northeast areas will add to soil moisture but will not help crops as they mature. Occasional showers on the North China Plain are prepping soils for winter wheat and canola planting. -DTN

INDIA (COTTON/SOYBEANS): Monsoon showers moved back into central cotton and soybean areas, benefiting soil moisture for some areas that have seen erratic rainfall this year. Showers continue to be on a more sporadic nature through the next week. -DTN

Headlines:

- > Malaysian Nov Palm Oil up 76 Ringgits
- > Dalian Futures Exchange were mostly higher Jan Corn up 6 to the Yuan, Jan Beans down 15, Jan Meal up 5, Jan Bean Oil up 4, Jan Palm Oil up 98
- > Asian Equity Markets were mixed to lower, Japan's Nikkei down .5%, China's Shanghai down .2%
- > European Equity Markets are mixed, German Dax unchanged, London FTSE up .1%
- > MATIF Markets are higher, Nov Corn up 2.0 to the Euro, Nov Rapeseed up 2.50, Dec Wheat up 2.50
- > Save the Date...Sept 15th...NOPA Crush Ahead of Wednesday's NOPA August report, analysts are forecasting US August soybean crush at 154.18 mln bushels, that compares to July's 155.10 mln bu and 165.06 mln bu in August 2020 -QT

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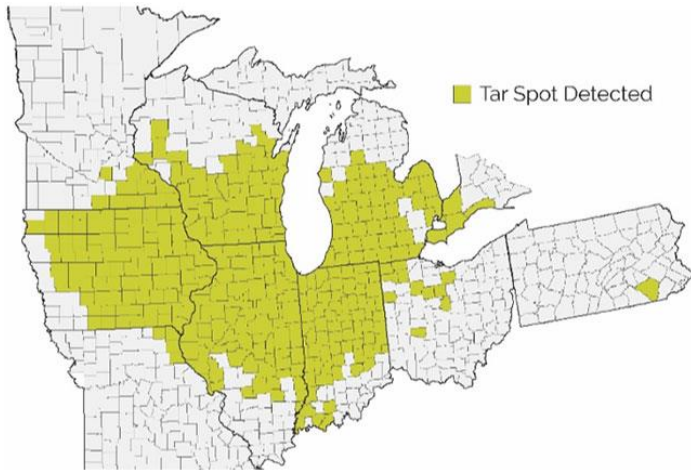
- > Save the Date...On or about Sept 19th ...our good friends at the Weather Center Company suggest we might be dealing with another Gulf Tropical event...our good friends have given up, next potential window Sept 25th-30th
- > Save the Date...Sept 21st...Earth Wind and Fire Day
- > Save the Date...Sept 22nd...FOMC meeting results
- > Save the Date...Sept 30th...2Q US GDP
- > Save the Date...Sept 30th...USDA Grain Stocks
- > US Debt Ceiling [Debt limit standoff intensifies \(msn.com\)](#)
- > Back to PA for a Fall Armyworm update: ["Unprecedented outbreak" of Fall Armyworms causing damage to farmland and residential yards | fox43.com](#)
- > Bird Flu, good on you UK but for how long? [UK officially free from bird flu - News - Farmers Guardian \(fginsight.com\)](#)
- > Grasshoppers/Locust/ASF all quiet today
- > It is going to be a long Brazilian Presidential cycle [Business relations with Brazil's Bolsonaro fray | Financial Times \(ft.com\)](#)
- > US/Chinese tensions [Xi Jinping Declines Meeting With Biden \(msn.com\)](#)
- > Flash Flood in S. France [Hundreds evacuated after flash floods hit southern France | Euronews](#)

Hey NE Australia better make sure those sump pumps are in good working order [Bureau of meteorology warns of floods with double likelihood of La Niña predicted for Australia | Australia weather | The Guardian](#)

Commentary

Reports of Corn Tar Spots have been making the rounds over the last two weeks. From Central IL up into MI seems to be the areas of concern. Since everyone is talking about it, we start with, just what is Tar Spot of Corn...from the good folks at pioneer seed we have the following: Tar spot, caused by the fungal pathogen *Phyllachora maydis*, is a relatively new foliar disease of corn in the United States, first appearing in Illinois and Indiana in 2015. Look for tar spot to develop during cool temperatures (60-70 °F, 16-20 °C), high relative humidity (>75%), frequent cloudy days, and 7+ hours of dew at night. Tar spot reduces yield by reducing the photosynthetic capacity of leaves and causing rapid premature leaf senescence. And what does it do: Under favorable conditions, tar spot spreads from the lowest leaves to the upper leaves, leaf sheathes, and eventually the husks of the developing ears. Severe infection can cause leaf necrosis. Affected ears can have reduced weight and loose kernels, and kernels at the ear tip may germinate prematurely. Its yield impact: 2018 was the first time that corn yield reductions associated with tar spot were documented in the U.S. University corn hybrid trials conducted in 2018 suggested potential yield losses of up to 39 bu/acre under heavy infestations (Telenko et al., 2019). Severe tar spot infestations have been associated with reduced stalk quality. If foliar symptoms are present, monitor stalk quality carefully to determine harvest timing. There is no evidence that tar spot causes ear rot or produces harmful mycotoxins. And we supply side bulls thought we were going to have to rely on the Fall Army Worm this year to kill the crop.

Counties with confirmed incidence of tar spot, 2015-2020 (as of 10-12-20). Source: Corn ipmPIPE, 2020.



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.