

**MORNING GRAIN COMMENTARY**

Morning Trends:
<b>Morning Trends</b>
as of 5:00 AM CST
Corn 1 around
Wheat 3 to 5 higher
Beans 1 around
Soy Meal 1.0 to 1.5 lower
Soy Oil 40 to 45 higher

The Stories of the Day:
<b>Debt Ceiling Update...time to play Washington's favorite game and that is kick the can on down the road <a href="#">Congress Moves To Avert Partial Government Shutdown (barchart.com)</a></b>
<b>China energy shortage driving the cost up to farmers <a href="#">China's farmers face more pain as power crunch drives up feed costs   Reuters</a> and this <a href="#">Why China's power crunch is such a big deal (msn.com)</a></b>
<b>Report Day for grains and this report off can cause fireworks <a href="#">COLUMN-Market readies for hard-to-predict U.S. grain stocks data -Braun   Nasdaq</a></b>
<b>Got an older electronic gadget that stops working today...this might be why <a href="#">Millions of old phones, laptops, and smart gadgets could stop working later this week for a weird reason (msn.com)</a></b>

**Weather:** There is a strong ridge from Hudson Bay into the Midwest, a trough in the East, one off the Pacific Northwest, and an upper-level low in the Southwest. The ridge will block the trough in the Pacific Northwest from advancing, replacing it with a ridge instead. But a weakness across the Midwest will allow the upper-level low to move into the Plains and then the Midwest this weekend into next week. A new trough looks to make its way to the West Coast toward the end of next week. The U.S. and European models are in fair agreement. I will use a blend but favor the European. For the outlook period, temperatures on Tuesday will be near to above normal across most of the country, which looks to continue through most of the period and some cooler temperatures reaching the West Coast toward the end of next week. Some showers may linger over the Midwest in the middle of next week. Another weak system could bring showers to the Plains and Midwest at the end of next week. -DTN

**NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS):** Some scattered showers moving through will cause some harvest delays over the next day or two, but dryness will return with good harvest conditions again this weekend into next week. The drought continues, however. -DTN

**CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT):** Scattered showers will continue in the region through Saturday before moving eastward. This will benefit winter wheat planting and development but cause some delays to the harvest. Dry conditions follow for next week and temperatures should remain above normal, which may cause heat stress to any areas that might be missed from the showers this week. -DTN

**MIDWEST (CORN/SOYBEANS/WINTER WHEAT):** Scattered showers will move through the region over the next several days, causing some delays to harvest but filling soils for winter wheat. Some showers may continue into next week but would likely be isolated. With temperatures remaining above normal, conditions should favor harvest. -DTN

**DELTA (SOYBEANS/COTTON/WINTER WHEAT):** Some pop-up showers may develop over the next week that could hinder harvest progress but would benefit winter wheat should it occur. -DTN

**SOUTHEAST (COTTON/LIVESTOCK):** Warm and dry conditions are promoting maturing cotton and continued harvest progress. For the most part, these conditions should continue through the weekend with scattered showers returning next week. -DTN

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**PACIFIC NORTHWEST (WINTER WHEAT):** A system that moved through early this week brought only light showers. Benefits will be minimal as more moisture is needed for winter wheat establishment in the intense drought. Systems that are moving through the region do not have enough power to generate significant rainfall and that remains true through next week. -DTN

**BRAZIL (WINTER WHEAT/CORN/SOYBEANS):** Scattered showers continue over central states while showers are developing over the south with a couple of systems moving through. The active weather is promoting soybean and full-season corn planting and favoring reproductive to filling wheat. -DTN

**ARGENTINA (WINTER WHEAT/CORN/SOYBEANS):** Scattered showers will move through with another couple of systems through the weekend. Showers are scattered and some areas are being missed, but the active pattern continues to favor corn and soybean planting overall, along with reproductive to filling wheat. -DTN

**EUROPE (WINTER WHEAT/CORN):** A couple of larger systems will move through western areas while the east will see more intermittent showers for the next week. Conditions are more favorable for harvest in the east and for winter grain establishment in the west, but conditions are mostly favorable overall in both sections of the continent. -DTN

**UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS):** Recent showers have been good for winter wheat establishment, though parts of Russia could still benefit from additional showers. A large blocking high pressure system will keep the region cool and dry through next week. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM):** Winter wheat and canola development are progressing nicely with good irrigation reserves. And showers will continue to develop Thursday for eastern areas, benefiting crops and planting of cotton and sorghum as we head into October. -DTN

**CHINA (CORN/SOYBEANS/WHEAT/CANOLA):** 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 continue over central cotton and soybean areas, benefiting soil moisture for some areas that have seen erratic rainfall this year. -DTN

**Headlines:**

> Malaysian Dec Palm Oil closed up 121 Ringgits

> Dalian Futures Exchange were mostly higher Jan corn up 22 to the Yuan, Jan beans up 4, Jan meal down 8, Jan bean oil up 144, Jan palm oil up 178

> Asian Equity Markets were mixed, Japan's Nikkei down .3%, China's Shanghai up .9%

> European Equity Markets are higher, German Dax up .1%, London FTSE up .5%

> MATIF Markets are higher, Nov Corn up 2.0 to the Euro, Nov Rapeseed up 3.25, Dec Wheat up 1.00

> Save the Date...Sept 30<sup>th</sup>...2Q US GDP...expected at 6.6%

> Save the Date...Sept 30<sup>th</sup>...USDA Grain Stocks...expected wheat stocks at 1.855 BBU vs. 2.158 BBU Sept 1, 2020, corn 1.153 BBU vs. 1.919 BBU, beans 174 MBU vs. 525 MBU...all wheat production expected at 1.687 BBU vs. last month's estimate of 1.682 BBU, all winter wheat at 1.320 BBU, Spring Wheat at 331 MBU, Durum at 34 MBU, HRW at 778 MBU, SRW 366 MBU, and White Wheat at 174 MBU

- > Save the Date...Oct 1<sup>st</sup>...Golden week begins in China
- > Save the Date...Oct 4<sup>th</sup>...OPEC + Meetings
- > Save the Date...Oct 8<sup>th</sup>...US Unemployment numbers
- > Save the Date...Oct 11<sup>th</sup>...Canadian Thanksgiving/Sports Day in Japan
- > Save the Date...Oct 12<sup>th</sup>...USDA S&D Reports
- > Save the Date...Oct 15<sup>th</sup>...NOPA Crush
- > Save the Date...Nov 7<sup>th</sup>...US falls back...US falls back to good old standard time
- > The next big domestic issue for Putin...how to control the Communist Party [Russia's Communists Are Putin's Next Headache - The Washington Post](#)
- > FAW in VA [Active Atlantic Storm Season Brings Unprecedented Numbers of Fall Armyworms to Virginia | The Roanoke Star News](#)
- > ASF the US pulling out the check book in its fight to keep N. America free [U.S. pledges up to \\$500 million to prevent African swine fever \(aol.com\)](#)
- > US Covid update ['It's been the Wild West': Experts urge Americans to follow official guidance amid COVID booster craze \(yahoo.com\)](#)
- > Bird Flu...birds in motion better track them [Avian flu poses a billion-dollar threat to the poultry industry. Tracking wild waterfowl may be part of the solution. \(thecounter.org\)](#)
- > Locust all quiet today
- > Weekly jobless claims at 7:30 AM CDT expected at 335,000 vs. last week's 351,000
- > Weekly export sales at 7:30 AM CDT wheat expected between 400-600,000 MT, corn 700-900,000 MT, beans 800-1.2 MT, meal 100-300,000 MT, oil 5-25,000 MT

## Commentary

Soaring energy prices along with soaring ocean freight prices is causing pain for farmers worldwide. The focus of the story has been on fertilizers, but the story of high cost inputs for farmers run much deeper than this. Vitamins, minerals, herbicides, and insecticides are also part of this story. Much of the story is focused on China exports but supply chain shortages are much deeper than this. Case in point is Round-up Ready products from the German manufacturing giant Bayer. Due to Hurricane Ida key glyphosate products from their LA manufacturing hub have been lost. This means growers of cotton, corn and beans in Brazil are faced with an added hurdle at the start of this year's planting season when it comes to the control of weeds. This means the world has an added hurdle to achieve world trendline yields. In the covid era our theme for 2021 was reliable suppliers, our theme for 2022 is #SecureSupplyChains2022. In 2022 decisions on planted acres as well as the raising of finished proteins will be impacted on the ability of the farmer to receive critical inputs in a timely fashion, first up in this trend, the Brazilian bean crop.

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



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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.