

MORNING GRAIN COMMENTARY

| Morning Trends: |
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| as of 5:00 AM CST |
| Corn 1 around |
| Wheat 1 to 2 lower |
| Beans 1 to 2 higher |
| Soy Meal 1.0 to 1.5 higher |
| Soy Oil 5 to 10 lower |

| The Stories of the Day: |
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| Biden Administration talking tough on China paying off???? Biden and Xi Jinping of China Agree to Hold a Virtual Summit - The New York Times (nytimes.com) |
| Are the contours of a US Senate Deal coming into focus? Global stocks rise on the back of optimism over a deal on the US debt limit, while bitcoin hovers at 5-month highs around \$55,000 Markets Insider (businessinsider.com) |
| FAO Food Price Index on the move higher in Sept FAO Food Price Index World Food Situation Food and Agriculture Organization of the United Nations |
| Big margins for food producers but big labor wants a cut Kellogg's strike halts its U.S. cereal production (msn.com) |
| What is your carbon score from the land down under Shareholders push for Australia's banks to stop fossil fuel funding Reuters |

Weather: There is a strong ridge in central and eastern Canada, an upper-level low in the Delta, and a trough moving into the West. The ridge will continue but push just far enough east to draw the upper-level low north through the Great Lakes over the next couple of days. The trough in the western U.S. will bring a couple of weaker storm systems into the Plains and Midwest late this week and weekend. The trough will be reinforced strongly in the West late this weekend and early next week, lifting northeast into central Canada late next week or weekend and being replaced by a ridge. 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 below normal west of the Rockies and above normal east of the Rockies. Colder temperatures might leak into the Plains in the middle of the week. Temperatures should gradually moderate in the west by next weekend. A strong system is forecast to build across the Plains in the middle of next week with the low center lifting north into Canada. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Dryness and good harvest conditions have returned to the region for the next couple of days. A series of systems looks to move through late Friday through next week, which will bring chances for scattered showers back into the region, especially with a strong storm system in the middle of next week. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): Dryness and above normal temperatures this week have benefited harvest while drier winter wheat areas have suffered that did not receive showers last week. A series of systems will move through this weekend into next week and should bring more scattered showers to the region, which would benefit winter wheat again. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Showers will continue to drift north through the region over the next couple of days. They will be scattered and cause some delays to the corn and soybean harvest, but only in a few spots. A series of systems will move through this weekend into early next week that will bring more scattered showers to the region. Soil moisture should increase for winter wheat. -DTN

DELTA (SOYBEANS/COTTON/WINTER WHEAT): Scattered showers will remain in the region Thursday over the north before it turns dry for the weekend and into next week. Recent showers are good for winter wheat, but have caused some delays for cotton and soybean harvest. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Scattered showers will continue through Friday, causing some harvest delays and quality issues, especially in Alabama. Drier weather will follow through next week, helping to drain soils and crops. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): A series of fronts will move through the region over the next 10 days with some isolated showers. Models suggest rainfall to be light, not enough to reverse the drought conditions in the region. Temperatures below normal could cause some frosts, which would not be favorable either. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Scattered, heavier showers continue over southern areas while isolated, lighter showers fall across central areas. A couple of fronts moving through may increase shower activity over central areas, favoring planting of full-season corn and soybeans. Reproductive to filling winter wheat continues to have mostly favorable conditions as well. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Relatively dry conditions this week are keeping corn and soybean planting at a slow pace. Winter wheat areas continue to have mostly favorable conditions, however. Some showers will move through late this week and weekend but look to be light while another system moves through in the middle of next week with scattered showers. -DTN

EUROPE (WINTER WHEAT/CORN): Scattered showers have fallen over the western half of the continent this week and a system has drifted south into the central Mediterranean with showers continuing for southeastern areas, benefiting winter wheat planting and establishment. Mostly favorable conditions continue elsewhere for winter grains as well while the showers have delayed fall harvest for some. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Dry and cool conditions have been the norm over the last week. This favors fall harvest but is stressing drier sections of both Ukraine and western Russia for winter grain establishment. Rain is out of the forecast until early next week as a low in the Mediterranean moves through Ukraine. Western Russia does not have a good chance for showers here and time is running out before colder temperatures settle in for the year. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Mostly favorable conditions continue for reproductive to filling winter wheat and canola along with providing beneficial soil moisture for cotton and sorghum planting. -DTN

CHINA (CORN/SOYBEANS/WHEAT/CANOLA): Conditions have been mostly favorable for corn and soybeans this season. Occasional showers on the North China Plain are prepping soils as winter wheat and canola planting increases. -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 down 20 Ringgits
- > Dalian Futures still closed
- > Asian Equity Markets were higher, Japan's Nikkei up .5%, China's Shanghai Golden Week
- > European Equity Markets are higher, German Dax up 1.1%, London FTSE up .8%
- > MATIF Markets are lower, Nov Corn down 1.25 to the Euro, Nov Rapeseed down 4.75, Dec Wheat down 1.50

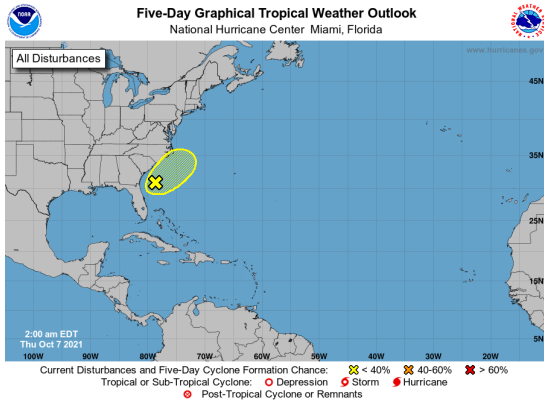
- > Save the Date...Oct 8th...US Unemployment numbers...expected 485,000 new non-farm jobs, unemployment rate at 5.1%
- > Save the Date...Oct 11th...Canadian Thanksgiving/Sports Day in Japan
- > Save the Date...Oct 12th...USDA S&D Reports
- > Save the Date...Oct 14th...Brazilian Government expected to decide if they will allow Argentina GMO wheat into their country
- > Save the Date...Oct 15th...NOPA Crush
- > Save the Date...Oct 18th...US set to run out of money
- > Save the Date...Oct 31st– Nov 12th ...Glasgow for COP26
- > Save the Date...Nov 4th...OPEC + Meetings
- > Save the Date...Nov 7th...US falls back...US falls back to good old standard time
- > Weekly Jobless Claims at 7:30 AM CDT expected at 345,000 vs. last week's 362,000
- > Weekly Export Sales at 7:30 AM CDT wheat expected between 400-600,000 MT, corn 600-800,000 MT, beans 800-1.0 MMT, meal 100-300,000 MT, oil 5-25,000 MT
- > No way for a China corn crop to dry down [China's Yellow River sees third flood of the year - CGTN](#)
- > Locust/Bird Flu all quiet today
- > ASF...just in case [Vietnam agrees to zoning arrangement to allow for safe trade from Canada in the event of an African swine fever outbreak – India Education | Latest Education News | Global Educational News | Recent Educational News \(indiaeducationdiary.in\)](#)
- > FAW a recap [Here's Why Fall Armyworms Were So Bad This Year -- And Why It Could Happen Again \(dtnpf.com\)](#)

Commentary

Given the lack of hard news week combined with China on Golden week holiday the Ag market as well as the macro markets have been trading like a spinning top, easily pushed one way or another with each new headline. Headlines this week have been grouped with the traditional like weather related headlines, foreign policy like Chinese/US trade relations, and US government like will the US continue to pay its bills. For Ag world, the way we view headlines from known unknowns as well as future unknown unknowns will be reset on Oct 12th with the latest S&D reports from the USDA. By all accounts it seems like early harvest results from corn suggest that the USDA might have been spot on with their Sept 176.3 national yield for corn. The bean harvest, especially in the WCB suggests that over time the USDA might find a ½ bushel or more in the national yield number. That said for the Oct report we feel the USDA will not make any adjustment for corn or beans. But that is for next week, the balance of this week prices will continue to flip flop with the latest headlines. For Ag world the next headlines the trade will be looking for, with China slowly returning from Golden Week Holidays will there be a pickup in price enquiry for US oilseeds and grains?

There is a Yellow X out there...but it looks like a classic “Right Turn Clyde”

Thursday, October 7, 2021



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