

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 3 to 5 lower
Wheat 7 to 9 higher
Beans 12 to 14 lower
Soy Meal 8.0 to 8.5 lower
Soy Oil 40 to 45 lower

Weather: Heavy snow for parts of the Upper Great Lakes on Tuesday...Temperatures will be 10 to 25 degrees above average over parts of the Central/Southern Plains on Tuesday...There is a Critical Risk of fire weather over parts of the Southern High Plains on Tuesday...There is a Risk of rain/freezing rain over parts of the Southern Ohio/Tennessee Valleys and Middle/Lower Mississippi Valley on Wednesday. -NWS

The Stories of the Day:
At the intersections of Russia/Ukraine/NATO Emptying the Embassy is never a good thing??? Russia Thins Out Its Embassy in Ukraine, a Possible Clue to Putin's Next Move - The New York Times (nytimes.com)
China's President Xi at Davos virtual summit warms the West about raising interest rates to combat inflation Xi Jinping warns Fed against hiking interest rates (msn.com)
Covid Update Study finds, long-term exposure to air pollution may increase Covid-19 risk Deccan Herald and in India Top Court Says Delhi Faces 'Emergency' Pollution Situation: PTI - Bloomberg and in China China media says omicron variant may have spread from foreign packages (msn.com)
Oil hits seven year high Oil hits seven-year high as Houthi attack on UAE rattles regional tensions (cnbc.com)
Tonga volcano update the human suffering only beginning to be understood Volcanic Ash Delays Aid Deliveries To Tonga As Scale Of Damage Emerges HuffPost Latest News and as for the climate Eruption of Tonga volcano likely not large enough to impact global climate - CNN

There is a ridge in the Eastern Pacific up through Alaska and a series of troughs across much of North America. The ridge will remain parked while trough after trough moves through central and eastern North America over the next 10 days. The U.S. and European models are in fair agreement with the upper-level pattern but develop disturbances a little differently. I will use a blend but favor the European. For the outlook period, temperatures on Sunday will be near to above normal in the West and Plains and near to below normal elsewhere. This general pattern will continue through the period. A couple of clipper systems will move through the Corn Belt through the period and may bring some snow showers at times. -DTN

NORTHERN PLAINS (LIVESTOCK): A clipper system will bring cold air back into the region Tuesday and Wednesday, but it will not last long and warmer air will move back into the region to end the week. The clippers that come through over the next 10 days will not bring much precipitation or cold to the region, keeping stress lower for livestock. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Clipper systems will move through the Corn Belt over the next 10 days. Their cold fronts will move through the region but with little precipitation. Drought will continue to build in the region. -DTN

MIDWEST (WINTER WHEAT): A system over the weekend brought heavy snow to both the west and east. A clipper will move through the region Tuesday and Wednesday with a shot of colder air for a few days. Clippers will come through every few days for the extended period with some precipitation and shots of cold air. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Drier conditions over the last week continue for the next few days before a couple of systems move through with at least a little bit of precipitation. But overall, the drier pattern continues through the extended period. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers returned to southern areas over the weekend and will be in the area for the next week, benefiting late-planted full-season crops and building at least some soil moisture for safrinha corn. Showers have become more isolated across central and northern zones, benefiting soybean harvest and immediate safrinha corn planting. -DTN

ARGENTINA (CORN/SOYBEANS): Isolated showers started to develop over the weekend and will come in waves across the country for the next 10 days or so. While early-planted crops have suffered irreversible damage, the rains should stabilize the crop that is in reproduction and fill stages. The rains will be much more favorable for reversing some of the damage for later-planted crops, which is a larger percentage of the total crop this season. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Clipper systems will bring the occasional shot of precipitation and cold air through the region, but on the whole, the coldest air will be to the east. This looks to be the pattern through the end of January, which may bring some occasional struggles to livestock, but overall beneficial temperatures. -DTN

EUROPE (WINTER WHEAT): Spain continues to be the lone trouble spot for winter wheat across the continent as dryness has not let up over the last several weeks. Italy is also going through a drier stretch, but should have fair moisture supplies for now. -DTN

NORTH AFRICA (WINTER WHEAT): Drought has been a concern in Morocco all season long and dryness has been increasing across Algeria and Tunisia over the last few weeks as well. There will be some isolated showers over eastern areas later in the week, but drought conditions will continue to hurt vegetative wheat across Morocco. -DTN

AUSTRALIA (COTTON/SORGHUM): Scattered showers continue over the east throughout the week as the remnants of Tropical Cyclone Tiffany will have an influence over the weather and produce some heavy rainfall potential that may lead to flooding. Otherwise, the showers will be favorable for cotton and sorghum development. -DTN

Headlines:

- > Malaysian March Palm Oil Market closed
- > Dalian Futures were mixed lower corn down 2 to the Yuan, March beans up 39, May meal down 12, May bean oil up 72, May Palm oil up 150
- > Asian Equity Markets were mostly lower, Japan's Nikkei down .3%, China's Shanghai up .8%
- > European Equity Markets are lower German Dax down 1.0%, London FTSE 100 down .7%
- > MATIF Markets are mixed March Corn down .75 to the Euro, May Rapeseed up 3.0, March Wheat up .75
- > Save the Date...Jan 18th...NOPA Crush
- > Save the Date...Jan 26th...FOMC Meeting results
- > Save the Date...Jan 27th...Q4 US GDP

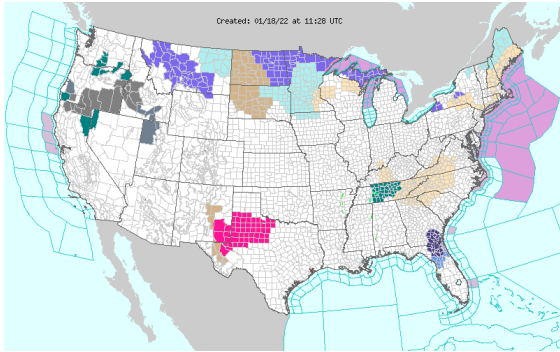
- > Save the Date...Jan 31st-Feb 6th...Chinese Spring Festival...Omicron super spreader event?
- > Save the Date...Feb 4th...Feb 20th...The Winter Olympics...Omicron super spreader event?
- > Save the Date...Feb 4th...US Employment numbers
- > Save the Date...Feb 14th...Pitchers and Catchers start to report, we hope
- > Save the Date...April 4th...the return of the weekly crop updates from the USDA
- > Libya update...Progress? [UN official: Libya elections could be rescheduled for June - The Washington Post](#)
- > Sudan...not getting any better [Anti-coup protesters in Sudan met with deadly gunfire - CBS News](#)
- > Kazakhstan and good luck with this [Plans for Kazakhstan 'regime' change announced \(bignewsnetwork.com\)](#)
- > ASF, back to Hong Kong <https://www.thepigsite.com/news/2022/01/hong-kong-reports-african-swine-fever-outbreak-oie>
- > Bird Flu in Humans [Five human cases of H5N6 bird flu reported in China \(msn.com\)](#)
- > FAW/Locust all quiet today
- > CFTC weekly MM Funds Position Report on Friday showed that as of the close of 1/11 MM fund were long 5,734 MW, long 42,674 KW, short 27,164 W, long 344,379 C, long 106,879 S, long 72,920 SM, and long 55,907 BO

Commentary:

It is time to get to work. The USDA numbers have come and gone. The US three day weekend has come and gone. It is time to get to work, as the transition from backward looking reports on last year's crops and start to think about the marketing year ahead. What we know, the US farmer is flush with cash and their next round of bills not due until March. We also know that the high cost of energy as well as supply chain constraints will be a factor in planting decisions and growing decisions around the world. The unknowns of the cost of fertilizers, herbicides and insecticides will have impact on world yields. We also know weather will have an impact on farming decisions. So, this means ideas and decisions have time to be changed. That said right here right now, we feel that the US farmer last fall had an excellent window of fall field work, and that usually favors corn. If the windows are wide open this spring to plant early and often this too favors corn, as corn fever is a real thing. When a planter is out rolling and corn is flying into the fields it is very easy for the farmer to plant another section, and one more after that. So, as we look forward and start the journey to the great planting wars of 2022, we feel corn will win the day with over 93.0 million acres planted, but it is early.

Red Flags Flying in W. TX once again

Tuesday, January 18, 2022



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