

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST
 Corn 1 to 3 lower
 Wheat 4 to 6 higher
 Beans 6 to 8 higher
 Soy Meal 4.0 to 4.5 higher
 Soy Oil 25 to 30 higher

The Stories of the Day:

At the intersections of Russia/Ukraine/NATO fear of war mounts...always follow the money... [Putin's yacht 'Graceful' abruptly leaves Germany amid sanctions warnings over Ukraine \(republicworld.com\)](#) **let the drills begin** [Russia starts Belarus military drills amid new diplomacy on Ukraine | Reuters](#) **and the hybrid shipping war** [Ukraine says Russian drills in Black Sea made shipping 'virtually impossible' \(msn.com\)](#) **But it always comes down to the weather** [Snow is melting in Ukraine. That could be a problem for the Russians \(msn.com\)](#)
Covid [The long term cost Covid pandemic: Mental health damage could last a generation \(cnbc.com\)](#)
Island Wars [UK rebukes China for supporting Argentina's Falklands claim - ABC News \(go.com\)](#) [China suspends Lithuanian beef imports amid escalating Taiwan row \(msn.com\)](#)
Burger Wars [McDonald's Must Be Furious About Burger King's New Sandwich—This Is So Shady! \(msn.com\)](#)

Nearby Weather: Strong offshore winds will produce well above normal temperatures in California. An upper level system will bring periods of snow from the north/central Plains to the Northeast,

and high winds to the north/central High Plains. Blizzard conditions and bitter wind chill for portions of interior eastern Alaska-NWS

Long Range Weather: There is a ridge from the Eastern Pacific through western North America with a trough over the Great Lakes and several disturbances lining up on the north side of the ridge back through the Pacific. These disturbances will deepen across the middle of North America as they escape the influence of the ridge, making clipper systems and bringing down some colder air at times. One of these disturbances will be stronger, pushing through the ridge this weekend into the West early next week, then traversing the country in a couple of pieces. That could induce a larger storm system for mid-late next week. The ridge will begin to flatten at the end of next week and start to spread across the country next weekend. The U.S. and European models are in fair agreement, though there are some differences with how they develop some of these systems. I favor the European with those differences. For the outlook period, temperatures on Monday will be below normal in the East and above normal in the West and Central. Colder air will move back into the country next week after another clipper comes through in the middle-to-end of next week, but not drastically so. Temperatures will quickly warm up next weekend. -DTN

NORTHERN PLAINS (LIVESTOCK): Above normal temperatures are generally forecast for the next week as systems bring the colder air to the east. Though melting of the snowpack in North Dakota could cause some muddy fields, stress for livestock will be on the lower end of the spectrum. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Some isolated showers will fall across the region Friday into Saturday, but amounts will be low, and showers will be spotty. We will watch for the potential of a stronger storms system in the middle of next week. Models are mixed on its development and impact across the region but may have the potential for more widespread meaningful precipitation. -DTN

MIDWEST (WINTER WHEAT): Warm temperatures continue in the region Thursday. A clipper moving through Thursday with its cold front moving through on Friday will send temperatures below normal again for a few days. Another clipper will follow behind that one over the weekend with some light snow. Heavier precipitation is likely for a good portion of the area mid-late next week as a deeper system moves through the region. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Only slight chances for isolated showers exist for the next 10 days. Drought is likely to return to growth because of recent dryness. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers will continue across central and northern areas for the next week. A few showers will be possible across southern areas over the weekend with another frontal passage but will be spotty and not helpful for corn. Central and northern areas continue to dodge showers to harvest soybeans and plant safrinha corn, but soil moisture in these areas is quite good. -DTN

ARGENTINA (CORN/SOYBEANS): The country will be in another dry stretch for the next couple of weeks, broken up by some isolated showers moving through the country Thursday night into Saturday. But coverage and amounts look poor. Drier conditions with temperatures in the 80s and 90s will continue to stress crops. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Above normal temperatures remain in the forecast for the next week as clippers generally bring colder temperatures to the east. Manitoba may still have some colder temperatures at times, but the west will stay warm. Snowpack is likely to melt under these conditions, making for some muddy fields and increased stress to livestock. -DTN

EUROPE (WINTER WHEAT): A cold front will slide south through the continent over the next couple of days but is not forecast to produce much precipitation. A storm system will bring more widespread showers to the west this weekend and open the door for more showers across most of the continent outside of Spain for next week. Dryness in Spain has been growing over the last few months and is concerning for vegetative wheat and other winter crops. Conditions are much better elsewhere in the continent. -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. Dryness continues through the weekend with some isolated showers sliding west to east next week. Vegetative wheat overall is in poor condition across most of the region, but much better in the east. -DTN

Headlines:

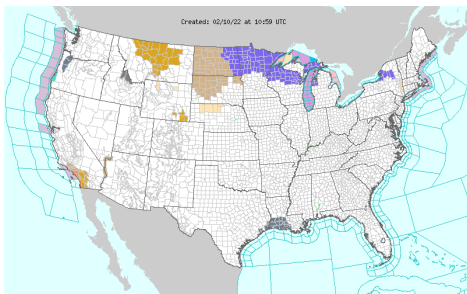
- > Malaysian April Palm Oil Market down 63 Ringgits
- > Dalian Futures were higher May corn up 6 to the Yuan, March beans up 33, May meal up 67, May bean oil up 88, May Palm oil down 166
- > Asian Equity Markets, were mostly higher Japan's Nikkei up .4%, China's Shanghai up .8%
- > European Equity Markets are slightly higher German Dax up .7%, London FTSE 100 up .1%
- > MATIF Markets are higher March Corn up .75 to the Euro, May Rapeseed up 3.00, March Wheat up 2.25
- > Save the Date...until Feb 20th...The Winter Olympics...Omicron super spreader event? Not if China can help it
- > Save the Date...Feb 14th...Pitchers and Catchers start to report, we hope
- > Save the Date...Feb 15th...NOPA Crush
- > Save the Date...Feb 21st...US National Holiday
- > Save the Date...Feb 24th...4Q US GDP

- > Save the Date...Feb 24th-25th...USDA Outlook Forum...USDA Agriculture Sec Vilsack on February 24 will discuss U.S.-China agricultural trade relations
- > Save the Date...March 13th...US returns to Daylight Savings Time
- > Save the Date...April 4th...the return of the weekly crop updates from the USDA
- > Bird Flu...in NC [NC bird flu cases rising; state's chicken industry on alert | Raleigh News & Observer \(newsobserver.com\)](#) in IN [First bird flu infection in US commercial flock detected in Indiana \(msn.com\)](#)
- > ASF/Locust/FAW all quiet
- > US Jan CPI at 7:30 AM CST Jan US CPI, MoM expected at .4%, YoY at 7.2%
- > US Weekly Jobless Claims at 7:30 AM CST, expected at 230,000 vs. last week's 238,000
- > US Weekly Export Sales at 7:30 AM CST, wheat expected between 300-500,000 MT, corn 1.0-1.2 MMT, beans 1.5-1.8 MMT, meal 100-300,000 MT and oil 5-25,000 MT

Commentary:

We, along with many in the trade, noted that the Feb USDA S. America numbers would represent a shift in the market's focus as we move into March. Yes, there will be more talk about crop losses in S. American bean production. That said, the market's focus will now be on how the bulk of the Argentina corn crop does during key pollination weather at the end of February and start of March as well as to what kind of start the second season Brazilian corn crop starts with. The Feb USDA Argentina corn number came in at 54.0 MMT, the trade is closer to 52.0 MMT. In Brazil they put the corn crop at 114.0 MMT the trade was at 113.63 MMT. If we see further declines in S. America crop expectations, we could see the world end user look to the US sooner rather than later. The world end user knows that if China comes after US corn, such as the rumors yesterday of an April-June program the buys will be splashy in nature. If China perceives that Russia is indeed trying to play a hybrid sea war scenario with Ukraine shipping lanes, China might have quickly to come to the US. In this new age of just enough inventory management, buy corn while you can, not when you have to.

Winter's Grip starting to loosen?



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