

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 2 to 4 higher

Wheat 2 to 4 higher

Soybeans 7 to 9 higher

Soy Meal 3.5 to 4.0 higher

Soy Oil 15 to 25 higher

Short Range Weather: The endless stream of atmospheric river events will re-focus on Wednesday across northern California. Once again, heavy to excessive rain on already saturated ground may produce more flooding. Also, snow will remain in the forecast for the northern California mountains and parts of the Sierra. Meanwhile, strong to severe storms are possible the next couple of days in the South and Mid South. NWS

Long Range Weather: There is a broad ridge across most of North

America and a large trough in the North Pacific. A piece of that trough is moving through the Rockies and will continue eastward through the weekend. The Pacific trough will send pieces of energy through the U.S. going into next week, but the overall pattern will not really change. The trough will start to move through the country with the start to a pattern change later next week. The U.S. and European models are fairly similar with some differences in how they treat each piece of energy moving through the country. I will use a blend but favor the European. For the outlook period, temperatures on Monday will be near to above normal for most of the country. This pattern should continue through next week, though some coolness may start to build across the West as the trough shifts eastward. One system should move through the country with scattered showers early next week while another one moves through later next week. -DTN

NORTHERN PLAINS (LIVESTOCK): The pattern remains relatively dry going into next week. Temperatures will be above normal for this time of year, reducing stress and feed requirements for livestock. -DTN

CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK): A weak system will bring showers through Wednesday into early Thursday, though will likely miss the drought areas in the west with any of the meaningful showers. A similar situation should occur with a system early next week, but a system that moves through mid-late next week at least has some potential to bring more widespread precipitation. That one will be closely monitored. Temperatures will remain warm for January outside of the snowpack across the north. -DTN

The Stories of the Day:

Ukraine Russia [Russia on verge of biggest gain in Ukraine since summer \(msn.com\)](#)
[As Russia's military stalls, 'Putin's chef' serves up his Wagner shock troops to rescue Ukraine campaign \(msn.com\)](#)
[Russia-Ukraine war live: Ukrainian soldier in Soledar says 'no one counts the dead' as positions constantly change hands \(msn.com\)](#)
[The West's oil war against Russia is starting to take its toll — sparking calls for tougher measures \(msn.com\)](#)
[Putin's New Ground Forces Chief Aleksandr Lapin Sparks In-Fighting—ISW \(msn.com\)](#)

Covid China [China, engulfed in covid chaos, braces for Lunar New Year case spike \(msn.com\)](#)
[Satellite images capture crowding at China's crematoriums and funeral homes as Covid surge continues \(msn.com\)](#)

Brazil Protest Brazil NYT Op/Ed [Opinion | Brazil's Jan. 6 Imitation and the Futility of Populism - The New York Times \(nytimes.com\)](#)

Wall of water keeps coming for the West Coast [Roads turn to rivers as storms drench California, claiming lives and leaving many in the dark \(msn.com\)](#)
[EXPLAINER: How much will the rain help California's drought? \(msn.com\)](#)
[California is recovering from deadly storms that brought rainfall totals 400% to 600% above average -- and more rain is on the way \(msn.com\)](#)
[Amid California's heavy weather, it feels like El Niño and La Niña have switched roles \(msn.com\)](#)
[California golfers flee '45-foot waves' crashing onto Pebble Beach course \(msn.com\)](#)

MIDWEST (WINTER WHEAT): Two quick-hitting systems will bring more showers in rapid succession over the next few days with heavier precipitation across the east. Two more systems move through next week with more precipitation. Temperatures remain above normal for this time of year. -DTN

DELTA (LOWER MISSISSIPPI RIVER LEVELS): Recent precipitation has been able to bring a boost to water levels on the Lower Mississippi River. Another system will move through later this week, followed by two more storm systems next week, which should keep levels from falling too much. As long as systems continue to run across the Mississippi and Ohio watersheds, levels should remain in good position. -DTN

BRAZIL (CORN/SOYBEANS): Outside of a few rogue showers, dry weather continues across southern areas until a front moves through with scattered showers Thursday and Friday. Some showers may linger next week, though that is more likely to be in Parana and points north, with drier conditions across Rio Grande do Sul. Showers have been somewhat disappointing across the south, which is causing concerns for reproductive to filling corn and soybeans. Otherwise, conditions over central and northern Brazil continue to be favorable for filling soybeans and for filling soils prior to corn planting. -DTN

ARGENTINA (CORN/SOYBEANS/WHEAT): Heat and dryness will finally be replaced by some cooler temperatures behind a front moving through Wednesday and Thursday. That front will only bring isolated showers with it, unhelpful for developing corn and soybeans. Some models linger showers this weekend and next week, but that is not guaranteed to be helpful even if they occur due to recent drought and heat stress. The prospect for production is still low. -DTN

EUROPE (WINTER WHEAT): An active pattern continues across the north for the week, while one system moves through the southeast with beneficial showers. While it has been drier across the south lately where winter crops are active, a couple of systems could penetrate south with some better showers next week, which should help out. -DTN

Headlines:

> Malaysian March Palm Oil Market closed down 75 Ringgits

> Dalian Futures were mostly lower March corn down 4 to the Yuan, May Soybeans up 19, May Meal down 11, May Bean Oil down 26, May Palm Oil down 98

> Asian Equity Markets were mostly higher Japan's Nikkei up 1.0%, China's Shanghai up .2%

> European Equity Markets are slightly higher, German Dax up .3%, London FTSE 100 up .2%

> MATIF Markets are lower March Corn down 3.50 to the Euro, May Rapeseed down 6.0, March wheat down 4.50

> Save the Date...Jan 12th...USDA numbers and we mean a lot of them including S&Ds, Grain Stocks, Winter Wheat seedings, Final Crop Production...average trade guess for corn production and last USDA number 13.937 BBU/13.930 BBU, beans 4.362/4.346...quarterly grain stocks wheat 1.344, corn 11.153, beans 3.132...ending stocks average/USDA...wheat 580 MBU/571, corn 1.314 BBU/1.257, beans 236 MBU/220...world ending stocks wheat 268.02 MMT/267.33 MMT, corn 297.86 MMT/298.40, beans 101.69/102.71 MMT

> Save the Date...Jan 12th...US CPI numbers...expected MoM unchanged, core MoM up .3%...YoY up 6.6%, core up 5.7%

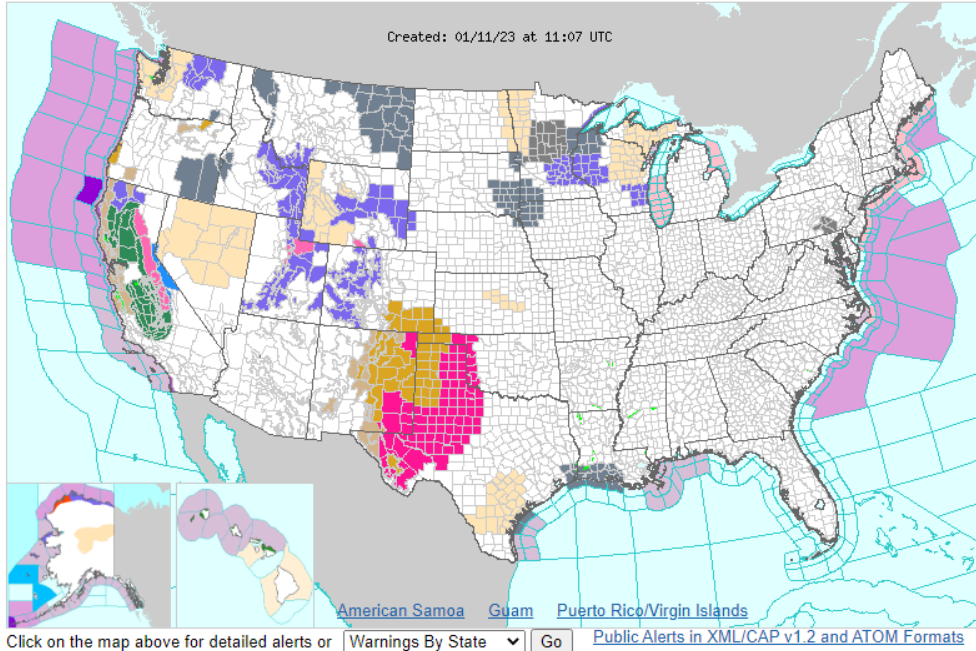
> Save the Date...Jan 16th...US Holiday, Martin Luther King, Jr. Day...CME Ag products close regular time on Friday Jan 13th, do not open until Monday night 1/16 at 7:00 PM CST

- > Save the Date...Jan 17th...NOPA Crush
- > Save the Date...The week of Jan 23rd...Golden Week in China
- > Save the Date...Feb 1st...FOMC Meeting Results
- > Locust/ASF/FAW all quiet today
- > Bird Flu has reframed that age old question, which left first cheap chicken prices or cheap egg prices [Avian flu hits US West from wilderness to grocery - SHINE News](#)
- > The Sun is in an active stage [Earth in Direct Firing Line for X-Class Solar Flare From Enormous Sunspot \(msn.com\)](#)
- > India Cold Snap [Cold weather likely to help India reap bumper harvest of wheat and mustard | Latest News India - Hindustan Times](#)
- > China will extend anti-dumping and anti-subsidy tariffs on US Distiller's Dried Grains for another five years from Thursday, according to statements from the Ministry of Commerce. -QT
- > The U.S. shale industry's balance sheet is finally getting out of the red. After carrying enormous debt loads for more than a decade, frackers have paid down billions of dollars in debt since the start of the coronavirus pandemic, capitalizing on higher commodity prices and sticking to austerity pledges. -DJ
- > The Farming life for me??? [Joe Burrow, Blake Griffin among 20 athletes buying 104-acre Iowa farm \(msn.com\)](#)
- > US dollar shortage real life implications [Edible oil shortage looms in Pakistan as dollar reserves fall - Markets - Business Recorder \(brecorder.com\)](#)

Commentary: The focus of the market of late has been on S. Brazil and Argentina. The lingering impact of a 3-year La Nina and its drought implications for this region has been the market focus. But major weather drivers are in motion. In N. America the influence of the North Pacific Marine Heat Wave (see link below) has flipped the script on US West Coast weather. As the impact of La Nina morphing into an El Nino in S. America it is felt new areas of concern will arise. First up, the harvest of soy and coffee beans in Central Brazil. All the talk of dryness has meant the market has yet to focus on harvest weather in Central Brazil. Some forecasts are suggesting in the next 10-days this area could see a month's worth of rain. This means we need to be on alert first for quality potential issues, followed by yield concerns if the rain lingers.

<https://www.integratedecosystemassessment.noaa.gov/regions/california-current/california-current-marine-heatwave-tracker-blobtracker>

This time of year, the true enemy of HRW...The Wind...we are talking about you TX /OK Panhandle



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| Blizzard Warning | Gale Warning | Brisk Wind Advisory | Special Weather Statement |
| Winter Storm Warning | Red Flag Warning | Wind Advisory | Marine Weather Statement |
| High Wind Warning | Winter Weather Advisory | Avalanche Watch | Air Quality Alert |
| Storm Warning | High Surf Advisory | Rip Current Statement | Hydrologic Outlook |
| Avalanche Warning | Heavy Freezing Spray Warning | Gale Watch | |
| Flood Warning | Dense Fog Advisory | Winter Storm Watch | |
| High Surf Warning | Small Craft Advisory | Flood Watch | |



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