

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CDT
Corn 2 to 4 higher
Wheat 1 to 3 higher
Soybeans 8 to 10 higher
Soy Meal 2.0 to 2.5 higher
Soy Oil 70 to 75 higher

Short Range Weather: Severe thunderstorms capable of large hail and damaging winds are possible across parts of central Texas. Heavy rainfall may lead to areas of flash flooding is possible over the Mid-Mississippi and Tennessee River Valleys and interior Northwest. Dry, gusty winds will bring elevated to critical fire weather conditions in parts of the Southwest into the Southern Plains through Saturday. - NWS

The Stories of the Day:
Russian/Ukraine: Russian ex-deputy defence minister joins Wagner as feud escalates - war bloggers (msn.com) Surrounded by corpses, Wagner's Prigozhin blasts Russian defence minister in expletive-laden video (msn.com) Russian mercenary chief Prigozhin says his forces will leave Bakhmut next week (msn.com) Explosion and fire occur at Ilsky Oil Refinery in Russia for second day in a row (msn.com) Russia wants Bakhmut before its Victory Day celebrations (msn.com) Multiple Russian Fuel Depots Hit By Suspected Drone Attacks, Tempo Increasing (msn.com)
Black Sea Grain Flows https://www.reuters.com/world/europe/shipments-ukraine-slowng-black-sea-grain-deal-deadline-nears-2023-05-05/
China/Canada Canada summons Chinese envoy over alleged legislator intimidation (msn.com)
China whistling past the graveyard??? Even China Isn't Convinced It Can Replace the U.S. (msn.com)
UN/FAO World food prices rise for first time in a year- FAO (msn.com)
Song of the Week... The Clash - Should I Stay or Should I Go (Live at Shea Stadium - Official 4K Video) - YouTube

DTN's Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes: 100 AT RIO GRANDE VILLAGE, TX LOW THU...20 AT MOUNT WASHINGTON, NH...OKLAHOMA CITY, OK 1.00 INCHES

There is a trough moving off the East Coast and another in the West. A weak ridge is stuck in between the two across the Plains. The ridge will continue to expand eastward and shove the eastern trough offshore. The western trough will weaken as it moves eastward over the weekend and early next week but will be reinforced by another trough in the West next week. That trough should similarly move through the U.S. next week, though be weak when it does so. Behind it, a strong ridge will be developing across the West while we watch for a trough developing in eastern Canada next weekend. The U.S. and European models are similar. I will use a blend but favor the European. For the outlook period, temperatures on Wednesday will be below normal in the West and near to above normal in the Central and East. The cooler temperatures may leak into the Plains later next week, but temperatures should remain near or above normal east of the Rockies. Warmer temperatures will move into the West later next week as well. The western trough will keep showers going in the middle of the country next week with another system possible later in the week and weekend. The showers looks largely disorganized, however.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): Temperatures continue to be near or above normal for the next couple of weeks, favoring planting. Scattered showers will develop in waves through next week, offering some increase in soil moisture for some of the dry areas.

CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS): Periods of showers will continue through next week, though largely disorganized. Still, the additional rains will be beneficial to early corn and soybeans and maybe wheat.

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Temperatures continue to gradually rise over the next few days with improving conditions for planting. Another system moves through this weekend into next week with showers being possible. Showers continue next week as well, but likely very disorganized.

DELTA (SOYBEANS/COTTON): Wetter soils are mostly favorable for developing crops, though somewhat difficult for planting. Scattered showers are moving through Friday with more possible over the weekend with and next week, though largely disorganized.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Mild temperatures in the region are favoring an increase in soil temperatures and planting activities. Chances for showers return over the weekend and continue next week, which are needed for some of the drier areas in the west. The showers are largely disorganized and lighter, though.

BRAZIL (CORN/WINTER WHEAT): A front will remain stalled in the south with scattered showers through early next week. Showers may clip the far southern safrinha corn areas but will help to increase soil moisture for winter wheat. Safrinha corn areas have good soil moisture for now but would prefer it if the front brought some showers. Temperatures remain warm with no risk of frost.

ARGENTINA (CORN/SOYBEANS/WINTER WHEAT): It remains drier in much of Argentina with a stalled front off to the north. Showers will pass through northern areas on Friday, but most of the wheat areas will stay dry. Soils are still fairly dry for winter wheat planting and establishment and more rain is needed. However, it should remain drier, which is more beneficial for corn and soybean harvest.

EUROPE (WINTER WHEAT/CORN): A fairly active storm track continues to move through the continent for the next week, favorable for bringing widespread rains to most areas. Spain remains very hot and dry and in desperate need of additional rainfall. However, it should miss out on most of it over the next week. A burst of colder air is sagging through northeastern areas of the continent, which may produce some frosts through the weekend. Otherwise, good weather conditions continue for winter- and spring-sown crops.

BLACK SEA (WINTER WHEAT/CORN): Showers have been consistent across much of the region over the last several weeks, favoring winter wheat development and corn planting. Colder air is settling into the region, which may produce some frosts across the northern end of the region and limit the showers through next week. Outside of the cooler temperatures, conditions for growth remain fairly good.

CHINA (WINTER WHEAT/OILSEEDS/CORN/SOYBEANS): A storm system brought widespread rain to the drier areas over the last couple of days, favorable for increasing soil moisture for winter crops and corn and soybean planting. However, drier conditions that follow remain a concern for these crops.

AUSTRALIA (WINTER WHEAT/CANOLA): Overall, conditions are good for winter crop planting with only isolated showers moving through at times for the next couple of weeks. Soil moisture is favorable for establishment for now. The likely occurrence of El Nino in the next couple of months should have a detrimental effect on precipitation across eastern Australia at some point, but conditions are good for winter crop establishment for now.

Headlines:

> Malaysian July Palm Oil market closed up 83 Ringgits.

> Dalian Futures were mostly higher, July corn down 14 to the Yuan, July Soybeans up 44, Sept Meal up 8, Sept Bean Oil up 52, Sept Palm Oil up 144

- > Asian Equity Markets, the ones that were open, were mixed to slightly lower, Japan's Nikkei XX, China's Shanghai down .7%
- > European Equity Markets are slightly higher German Dax up .6%, London FTSE 100 up .2%
- > MATIF Markets are mixed to lower, June corn down 1.0 to the Euro, Aug Rapeseed up 2.75, Sept Wheat down 1.0
- > Save the Date...May 5th...US Job Numbers...expected 180,000 new non-farm jobs created in April, unemployment 3.6% vs. 3.5%...M/M hourly wages up .3%
- > Save the Date...May 9th...The US Debt Deal Dance begins again_
- > Save the Date...May 9th...Victory Day in Russia [Russia is using the supposed Kremlin drone strike as an excuse to scale back its Victory Day celebrations and hide its military losses, experts say \(msn.com\)](#)
- > Save the Date...May 10th...CPI/Real Earnings
- > Save the Date...May 11th...PPI Numbers
- > Save the Date...May 12th...USDA S&Ds + Crop Production
- > Save the Date...May 15th-18th...KS Wheat Quality Tour
- > Dam Story...again [Occupiers frighten locals with dam break on Dnipro and possible flooding of Zaporizhzhia NPP \(msn.com\)](#)
- > All quiet FAW/ASF
- > Locust [Fine young cannibals: locust study could lead to better pest control | Insects | The Guardian](#)
- > Bird Flu [More than 50,000 wild birds in UK killed by avian flu – double previous estimates | Birds | The Guardian](#)

Commentary: We are a week out from the next big data point, the May 12th USDA S&D reports. Hard upon this report will be the KS Wheat quality Tour May 15th-18th. And don't forget our America friends, May 14th in the US, it is Mother's Day, get those cards in the mail and those flowers ordered. But what about today. Given the dramatic drive lower to end April and start May, the mid-week bounce off of the lows suggest that the market has run out of a sponsor to take the markets lower from here. That said market bears feel that over time the USDA will have to increase the old crop corn carryout. Market bears feel that over time the USDA will have to increase the old crop corn carryout at a time the farmers still control 20% of their old crop production. And both market bears and bulls agree, over time, corn is and always will be the engine that pulls grain prices. Market bulls, who are always looking for the next weather market feel they have some time before the farmer markets another jag of their old crop production. The feeling is the farmer will want to have a good look at summer weather and what kind of start for their new crop corn has. So, price action this week in the feed grains seems to be a reflection that spring crops are getting in the ground in find fashion. The mid-week price bounce suggesting the markets have found fair value until the next data points, or if you will Mother's Day. So, the only question left remaining for today is it 1:15 PM CDT yet???



Friday, May 5, 2023



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