

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CDT

Corn 3 to 5 lower

Wheat 7 to 9 lower

Soybeans 9 to 11 lower

Soy Meal .5 to 1.0 lower

Soy Oil 95 to 100 lower

Short Range Weather: Isolated strong to severe thunderstorms capable of damaging wind gusts, hail, and isolated flash flooding will continue across the central and southern High Plains. Scattered showers and thunderstorms, with locally heavy amounts possible, are expected to initiate over the Florida Peninsula. Elevated to critical fire weather conditions in the Southwest. -NWS

DTN's Long Range Weather and

24-Hour National Temperatures and Rainfall Extremes: 101 AT CASTOLON RANGER STATION, TX LOW TUE...26 AT PETER SINKS, UT... SPRINGFIELD, MO 0.94 INCHES

There is a ridge across Canada with plenty of weaknesses underneath it across the U.S. This pattern will dominate the rest of this week but a trough will form over eastern Canada and gradually shift westward next week as the ridge shifts westward and largely dissolves. The U.S. and European models have some key differences in precipitation extension and temperatures next week. I will use a blend, but favor the American GFS, which tends to fit the upper-air pattern better. For the outlook period, temperatures on Monday will be near to above normal for the West and Northern Plains with cooler conditions in the South and East. The temperature pattern will largely remain that way through next week. Isolated to scattered showers will continue in the Plains but also spread through other areas of the country at times as well. A couple of fronts should bring more focused showers to areas of the Midwest, but models are having a tough time working out the details.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): Widespread showers continue throughout this week. The coverage and intensity may decrease over the weekend into next week, but most areas are seeing at least some rainfall to keep crop conditions favorable.

CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS): Showers and thunderstorms continue to develop in clusters going into next week, though still focused more on western areas than in the east. If eastern areas continue to miss out, then drought may worsen there. But overall, drought reduction is occurring in the region.

The Stories of the Day:

Russian/Ukraine: [Drone crashes into southern Russian oil refinery - RIA cites local officials \(msn.com\)](#) [Team Putin Spars Over Baffling Russian 'Victory Plan' in War \(msn.com\)](#) [Russia accuses Washington of encouraging Ukraine in its attacks \(msn.com\)](#) [Did Ukraine Just Win the War? \(msn.com\)](#) [Ukrainian Forces Fire on Retreating Wagner Troops Leaving Bakhmut \(msn.com\)](#)

US Debt Ceiling Dance [Rand Paul Announces Conservative Alternative To Biden-McCarthy Debt Ceiling Deal — Here's What The Senator Proposes \(msn.com\)](#) [House to vote on debt limit deal as lawmakers race to avert default \(msn.com\)](#)

Sudan [Intense clashes in Sudan's capital after ceasefire extended \(msn.com\)](#) [Sudan army suspends participation in Jeddah ceasefire talks \(msn.com\)](#)

Iran Afghan Border [What caused deadly Afghan-Iran border clashes? What happens next? \(msn.com\)](#)

The Water Bed Effect [How the 'water bed effect' is costing you at the grocery store \(msn.com\)](#)

Typhoon Mawar [Typhoon Mawar losing strength as it heads toward Japan's Okinawa Islands - ABC News \(go.com\)](#)

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Temperatures continue to be above-normal all week long while chances for showers are fairly limited. Showers will be around throughout the week though, and will help to stave off dryness where they hit. Areas that do not could see drought developing or increasing this week, especially in eastern areas. There is some concern over young plants, but drought is not deep or forecast to spread to too many areas just yet.

DELTA (SOYBEANS/COTTON): Soil moisture has been dropping, though is still in good shape across most of the region. Showers will continue to be limited throughout the week and may start to be a concern if the drier pattern continues deeper into June.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Scattered showers have been very sporadic on where they have been hitting over the last week but continue in the region going into next week. The showers will be different each day. Temperatures remain above normal, but not extremely so.

BRAZIL (CORN/WINTER WHEAT): A front is spreading some showers into south-central safrinha corn areas through Wednesday before showers largely dry up again. The showers should benefit some of the corn and wheat crops, though rains are fairly rare this time of year anyway with another week of dryness on tap after the showers dry up this week.

ARGENTINA (WINTER WHEAT): More showers are expected to come in waves Friday into next week, increasing soil moisture in the country's primary growing areas and favoring winter wheat establishment.

EUROPE (WINTER WHEAT/CORN): Showers continue near the Mediterranean for the next week. Showers have been the most consistent near Spain, which has seen some favorable showers over the last couple of weeks but is still in deep drought. Other areas have had some favorable dryness to allow for soil drainage and accelerated crop development. Areas to the north could use some more showers now though, as it has been drier for the last couple of weeks.

BLACK SEA (WINTER WHEAT/CORN): An upper-low over the Black Sea and a couple of fronts in the region will continue to provide scattered showers for the next week. Eastern Ukraine has had the most favorable rainfall but much of the region has good soil moisture at the moment.

CHINA (WINTER WHEAT/OILSEEDS/CORN/SOYBEANS): Conditions are mostly favorable for early establishment of corn and soybeans and also for remaining filling wheat and canola due to some recent rainfall. Showers will be more limited for the rest of this week but a couple of systems moving through next week should catch most areas with at least a little rainfall.

AUSTRALIA (WINTER WHEAT/CANOLA): Soil moisture has been dropping in a lot of areas. A couple of systems will move through over the next couple of weeks, which may provide some needed showers. The occurrence of El Nino in the next few weeks should have a detrimental effect on precipitation across eastern Australia, but conditions are mostly good for winter crop establishment for now. Dryness will be concerning once the winter crops start to awaken from semi-dormancy next spring.

Headlines:

- > Malaysian August Palm Oil market closed down 198 Ringgits.
- > Dalian Futures were mostly lower, July corn up 12 to the Yuan, July Beans down 52, Sept Meal down 33, Sept Bean Oil down 200, Sept Palm Oil down 236
- > Asian Equity Markets were lower, Japan's Nikki down 1.4%, China's Shanghai down .6%
- > European Equity Markets are lower, German Dax down .3%, London FTSE 100 down .1%

- > MATIF Markets are mixed, June corn down 4.0 to the Euro, Aug Rapeseed up 1.0, Sept Wheat down 2.75
- > Save the Date...June 2nd...US Employment Numbers...Expected 188,000 new non-farm jobs were created in May vs. April's 229,000...M/M US unemployment rate expected at 3.5% vs. 3.4%...M/M hourly wages up .3%
- > Save the Date...June 4th...OPEC meetings
- > Save the Date...June 9th...USDA Crop Production and S&Ds
- > Save the Date...June 13th...US CPI
- > Save the Date...June 14th...US FOMC meeting results

USDA on its weekly crop update said that 92% of the US corn crop has been planted/Reuters average trade guess was 92%, Good/Excellent rating for corn 69%/71%, bean plantings at 83%/82%, spring wheat plantings 85%/82%, winter wheat ratings good/excellent 34%/32%

> After recent flooding in Henan province, China's Ag Ministry is pushing local authorities to ensure Wheat fields are harvested and grain damage is minimized. They are expecting emergency teams to help drain water from fields, and mobilize drying machines to save as much of the crop as possible. -QT

> All Quiet today for FAW

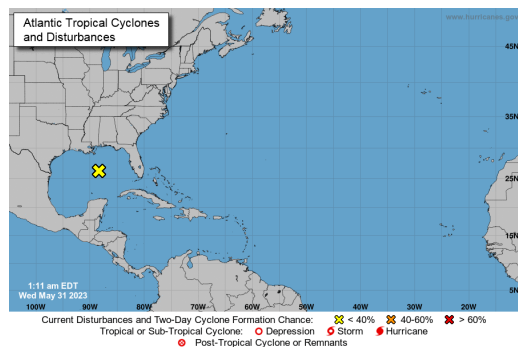
> Locust...okay it is a bit of a "stretch" to include this but who does not like a good dad joke [Want to Improve Your Posture? Add Locust Pose to Your Next Yoga Flow \(msn.com\)](#)

> ASF [Concerns raised as African swine fever makes new 'jump' in Europe - FarmingUK News](#)

> Bird Flu [How the Current Bird Flu Strain Gained New Genes and Greater Virulence | Technology Networks](#)

Commentary: Social media post has been full of late about the sputtering Chinese economy. This is an important story to follow. As the US and much of the Western world battles post covid inflation, if Chinese demand falters for basic commodities, the impact on inflation could mean central banks might overshoot their landing strips. In the US world Ag prices that move back to more balance might start to impact on farm jobs. There is an old saying, what is good for main street is good for wall street, the reverse is true as well. In the second half of the calendar year, we could see the FED target of unemployment numbers quickly met. The bottom line the FED's ability to control inflation but not send the US economy into recession is becoming a whole lot harder. The June FED meetings should be very interesting. That said the lean on the street is that we will see another ¼ point rise in interest rates from the June meetings.

Yes, it's early and it's not expected to do much...but it's that time of the year





Wednesday, May 31, 2023



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