

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CDT
Corn 1 to 3 higher
Wheat 13 to 15 higher
Soybeans 23 to 25 lower
Soy Meal 6.0 to 6.5 lower
Soy Oil 60 to 65 lower

The Stories of the Day:

Russian/Ukraine [Putin promises revenge for ‘terrorist’ drone attack on Russian tanker \(msn.com\)](#) [At least half of the 30,000 elite paratroopers Russia deployed in Ukraine have been killed or wounded, UK intel says \(msn.com\)](#) [Missiles that entered Ukraine from Belarus airspace ‘perhaps launched in Russia,’ says Ukrainian Air Force \(msn.com\)](#) [Former US Colonel Calls Ukraine Sea Drones Used to Attack Russian Oil Tanker a ‘Game Changer’ \(msn.com\)](#) [Ukrainian intelligence: attack on Zelenskyy foiled \(msn.com\)](#) [Ukraine strikes two key bridges into Russian-occupied Crimea \(msn.com\)](#) [Saudi peace talks put Ukraine territorial integrity at the core of any deal with Russia \(msn.com\)](#)

Global Food Prices [Global food prices rise after Russia ends grain deal and India restricts rice exports \(msn.com\)](#)

China Floods [Deadly floods hit China’s major grain-producing region, fueling food security concerns \(msn.com\)](#)

Ocean Temperatures [Ocean Hits Highest Recorded Temperature, Still Rising \(msn.com\)](#)...speaking of the oceans and temperatures on the boil [International backlash grows after Chinese vessel fires water cannon on Philippine boats \(msn.com\)](#)

Short Range Weather: A very active start to the week is anticipated with the widespread threat for severe thunderstorms and sweltering heat. A system arriving into the East is expected to produce a widespread threat for severe thunderstorms with swaths of damaging winds, hail, heavy rain and a few tornadoes in the Mid-Atlantic and Southeast. Meanwhile, no break to the dangerous heat this week from Texas to Florida -NWS [Massive storms expected to hit Midwest and Northeast \(msn.com\)](#)

DTN’s Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes: 117 AT TECOPA, CA LOW SUN...34 AT BROOKVALE, CO...FARGO, ND 3.12 INCHES

There is a ridge across the far south and another in far northwestern Canada, leaving most of North America wide open with several troughs and pieces of energy moving through both the U.S. and southern Canada. This will be the case most of the week. The ridge will retry to form back in Pacific Northwest or just off the coast this weekend, but the trough will continuously be added to across southern Canada and the Midwest through next week, keeping the pattern active. The U.S. and European models have the same idea but differences in the details. I will use a blend. For the outlook period, temperatures will be above normal across the West and far south and below normal in the North-Central U.S. Temperatures may fluctuate with systems moving through, but this should remain the general pattern through next week. Several systems moving along the U.S.-Canada border area will keep showers active across the North-Central U.S. through next week.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): A system went through over the weekend, bringing areas of heavy rain through the region and most of the Dakotas, favorable for filling corn and soybeans. The pattern remains active and cool for the region for the next two weeks. Precipitation may not be as widespread or heavy as it was over the weekend, but multiple chances of precipitation along with mild temperatures in the next two weeks is a favorable forecast.

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A system passed by to the north this weekend, but brought widespread to all areas but Texas, where heat continued as well. The front to the system has set up around Oklahoma and will be active for most of the week in that area. Systems will pass by off to the north all week long, with chances for precipitation continuing there as well as cooler temperatures. It continues to be hot and fairly dry in Texas into next week, otherwise, the forecast is favorable for filling corn and soybeans in the region.

MIDWEST (CORN/SOYBEANS): A system came by in more than one piece over the weekend, spreading areas of heavy rain across a widespread area of the region, including drier spots in southern Minnesota, Iowa, and central Illinois. Only small sections of the region and Wisconsin were missed by the system, which continues to move through on Monday. Several other systems will move through over the next two weeks with more favorable rainfall. Temperatures will be variable but generally near to below normal throughout the period as well, favorable for filling corn and soybeans.

DELTA (SOYBEANS/COTTON): A front was pushed south deeper into the region over the weekend and started to bring temperatures down for the northern half of the region, as well as provide some heavier rainfall for filling cotton and soybeans. The front has stalled in the region and will be a focal point for shower development for most of the week while systems moving through the Corn Belt could provide additional precipitation for northern areas as well. Dry areas in the south will remain hotter and drier, unfavorable for soybeans and cotton there.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Isolated showers moved through over the weekend. Systems will be moving through over the next couple of weeks, which may provide some decent precipitation for late-developing wheat and canola, but most of the crop is too mature to take much advantage of any incoming precipitation. Temperatures will continue to be cooler as well.

BRAZIL (CORN/WINTER WHEAT): A front moving in early this week should bring periods of showers for developing wheat in the south, which is largely in good condition due to more frequent rainfall. Rainfall may catch some southern corn areas that have not been harvested yet and may slow progress at times.

ARGENTINA (WINTER WHEAT): Soil moisture remains sub-optimal in Argentina. Well above normal temperatures over the last week promoted more rapid growth on wheat where soil moisture is adequate, and stress where it is not. A front moved through the country but with little precipitation. Some temporarily cooler temperatures may produce some frosts the next two mornings. A secondary burst of energy could bring some showers through on Tuesday, but most areas are likely to remain dry. El Nino favors a more active pattern across the country, which may start up prior to spring planting this month or next.

EUROPE (WINTER WHEAT/CORN): A deeper storm system developed over the weekend across eastern areas and will pull north on Monday and Tuesday. The storm is pulling in cooler air, and the generally favorable soil moisture is favorable for corn and summer grain growth, but unfavorable for the remaining winter wheat harvest. A few disturbances may still move through northern areas over the week, but the continent will go through a generally drier pattern coming up. Cooler temperatures will moderate slowly over the course of the week.

BLACK SEA (WINTER WHEAT/CORN): An active pattern in Europe has been keeping Ukraine active as well over the last couple of weeks. Southwest Russia has been hotter and drier by contrast, leading to mixed conditions. A front moving in from a strong storm system in eastern Europe and potential for developing systems along it will make for chances for better precipitation over southwest Russia later this week. If the rain does not occur, heat will be unfavorable for filling corn.

CHINA (CORN/SOYBEANS): Areas of rainfall have been more frequent over the last month, favorable for filling corn and soybeans where flooding has not occurred. The remnants to Tropical Storm Khanun may move into northern China with heavier rain, otherwise, conditions are much improved for both corn and soybeans in the country.

AUSTRALIA (WINTER WHEAT/CANOLA): Soil moisture in the country has been slowly diminishing over the last couple of months and more rain is needed as wheat and canola start to wake up from their winter slumber. A couple more systems may bring showers to southern areas this week, but nothing that looks overly widespread or heavy. A building El Nino, which favors heat and dryness in eastern Australia, may have more of an effect over the coming months, coincident with the crop going through flowering and filling, leading to expectations of reduced production.

Headlines:

- > Malaysian Oct Palm Oil market closed down 88 Ringgits
- > Dalian Futures were mostly higher, Sept corn up 10 to the Yuan, Sept Beans down 3, Sept Meal up 23, Sept Bean Oil up 30, Sept Palm Oil up 18
- > Asian Equity Markets were mixed, Japan's Nikki up .2%, China's Shanghai down .5%
- > European Equity Markets are lower, German Dax down .3%, London FTSE 100 down .5%
- > MATIF Markets are mixed, Nov Corn up 2.00 to the Euro, Nov Rapeseed down 1.75, Sept Wheat up 3.75
- > Save the Date...August 7th...National Holiday for Canada
- > Save the Date...August 10th...US CPI
- > Save the Date...August 11th...US PPI
- > Save the Date...August 11th...USDA Crop Production and S&Ds
- > Save the Date...August 15th...NOPA Crush
- > Save the Date...August 16th...US Housing Starts
- > Save the Date...August 24th...Adv Durable Goods
- > Save the Date...Aug 30th...2Q US GDP
- > Russian foreign ministry secretary Sunday said the country has the military and technical abilities to eliminate Black Sea threats, the comments came after Ukraine successfully attacked a Russian war ship and Russian tanker near Crimea in the past few days. -QT
- > Egypt's GASC on Sunday announced a tender seeking an undetermined volume of mill wheat, with offers due Tuesday, August 8th. The offers should be submitted on FOB terms, the grain is for shipment in the last half of September and/or first half of October. -QT
- > Thailand's commerce minister Monday said the country's Rice production is sufficient for domestic demand and to meet export market demand, adding India's recent rice export ban will only benefit Thailand's exports. The minister again said the country has no plans to ban rice exports. -QT
- > All Quiet today for ASF, FAW, Locust, Bird flu

Commentary: My how a couple of weeks matter. A couple of weeks ago when Russia first started attacking Ukraine export facilities on the Danube River board values initial reactions were to scream higher. Now granted that weather in N. America was threatening at that time as well. Over the weekend Ukraine with their sea-drones have put in doubt Russia's ability to guarantee safe passage of their export boats of grain and crude oil. The

markets' reactions have been muted. Of course, an excellent weekend of weather for the gut slot of the Corn Belt helped. Still we come away feeling that the markets might be underestimating the potential cost increase for Russian grains now that a chunk of their ports have been declared in a war zone. This makes today's GASC tender all the more timely. Between the war, adverse weather in China and a record world ocean temperature and its impact on weather with a looming start of the Brazilian bean planting season (Sept 15th) cannot help but think the market has taken too much risk premium out of board values. Market bears counter to all this, yes bulls you do best in the land of what if...but this week is a land of what is with the Friday USDA S&D Reports.

Russian Ports That Have Been Declared In A War Zone By Ukraine -AgResource



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