

**MORNING GRAIN COMMENTARY**

| Morning Trends:              |
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| <b>Morning Trends</b>        |
| as of 5:00 AM CDT            |
| Corn .5 to 1 higher          |
| Wheat 4 to 5 higher          |
| Soybeans 4 to 5 lower        |
| Soy Meal 1.50 to 2.00 higher |
| Soy Oil 65 to 75 lower       |

| The Stories of the Day:   |
|---|
| <b>China Ramps Up Fight With Yuan Bears to Stop Selloff Spiraling:</b> Offshore yuan interbank rates rise to highest since 2018 |
| <b>Zelenskiy Asks EU to End Grain Purchase Bans</b>   |
| <b>Ukraine in Talks With Insurers on Deal to Cover Grain Exports</b>  |
| <b>Rice Supply Faces New Threat as India Mulls More Limits:</b> Government considers export tax for parboiled variety           |

**North America Weather Overview:**

There is a strong ridge across most of the U.S., a trough in northern Canada, and another along the West Coast. The trough in Canada will deepen over the east this week and the remnants to Hilary will move from the Pacific Northwest over the top of the ridge, and deepen the eastern trough late this week and weekend. That should reduce the strength of the ridge and shift it westward into the Rockies, but it will still remain going into September, occasionally building eastward.

For the outlook period, temperatures will take a brief reprieve from the heat this weekend behind a cold front, but likely to bump back up next week with the ridge staying intact. The cold front will be a source for potential showers as it sags southward. Another system may build mid-late next week with showers for northern areas.

**NORTHERN PLAINS:** A stalled front will waffle around the region for most of the week, leading to areas of showers and wavering temperatures. The front will get pushed southward on Friday and clear out the region. Heat will return behind it early next week, however, making for mixed conditions for filling corn and soybeans. Potential showers could delay the wheat harvest.

**CENTRAL/SOUTHERN PLAINS:** Hot and dry conditions continue for much of this week, causing stress for filling corn and soybeans. The heat will quickly sap any built up soil moisture. A front will sag south through the region late this week and weekend, bringing briefly milder temperatures and potential rainfall that would prove beneficial if it occurs. Another round of heat may build back in next week.

**MIDWEST:** Hot and dry conditions are largely in place through Thursday, though a stalled front across the north and east could bring some isolated showers to some areas. The front will get pushed southward Friday and Saturday, offering a brief relief from the heat. Above-normal temperatures are likely to build back in next week for a time. Heat will be most intense in the southwest and sap any available soil moisture quickly. The front's movement southward could offer some showers in the region, which would be helpful for filling corn and soybeans.

**DELTA:** Hot and dry conditions continues all week long. A front sagging south will move into the region this weekend, which will reduce the heat and potentially bring some showers as well. Any rainfall would be helpful for filling soybeans and cotton.

**World Weather Overview:**

**BRAZIL:** A front moved into southern growing areas over the weekend with beneficial showers for developing wheat, which has enjoyed good growing conditions for most of the winter. Rains have been disruptive to safrinha corn harvest, however. Another front will move through the south later this week and likely get into central areas with periods of rain well in advance of the normal wet season and soybean planting window. Rains ahead of planting are useful for conditioning soils after a long dry season, but planting is restricted until mid-September for most areas.

**ARGENTINA:** Soil moisture remains sub-optimal in Argentina. Some rains have moved through at times, but not enough to reverse last season's drought. More rain is forecast for early this week, but still not enough. Cold temperatures will follow with frosts likely later this week and weekend, which may cause some damage to more-advanced wheat. Temperatures have varied wildly over the last couple of weeks and that looks to continue for early spring prior to planting.

**EUROPE:** Recent heat has increased moisture needs across the continent since last week. The heat continues for most of the week before a system finally brings a cold front through this weekend. Besides cooler temperatures, increased rainfall will be helpful for filling spring grains like corn. Stressful heat before the front could have a damaging effect in areas with limited soil moisture.

**BLACK SEA:** Hotter and drier conditions in the region lately have been stressful for filling corn and sunflowers, but beneficial for the remaining winter wheat harvest. A front is bringing relief to temperatures in the east, but western areas will remain hot until a front goes by this weekend and early next week. That front will likely come with beneficial showers.

**CHINA:** Bouts of heavier rain from a couple of tropical systems caused some flooding over northeastern areas earlier this month. Outside of the flooding, conditions are mostly favorable for both corn and soybeans in the country. A relatively active pattern will continue to favor the crops for the rest of August.

**AUSTRALIA:** 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 develop. Outside of a short burst of light rain early this week, the forecast is rather dry through the end of the month while temperatures will mostly be above normal. The effects of El Nino are starting to take shape with heat and dryness over eastern areas coinciding with reproduction in wheat and canola, unfavorable for production.

**Headlines:**

- > Malaysian Nov Palm Oil market closed -70 Ringgits
- > Dalian Futures were lower, Nov corn -6.00 Yuan, Sept Beans -17, Jan Meal -31, Jan Bean Oil -4, Jan Palm Oil -36
- > Asian Equity Markets were higher, Japan's Nikki +0.92%, China's Shanghai +0.77%
- > European Equity Markets are higher, German Dax +1.16%, London FTSE 100 +0.65%
- > MATIF Markets are lower, Nov Corn -.25 Euro, Nov Rapeseed -5.75, Sept Wheat -.25

- > Save the Date...August 24<sup>th</sup>...Adv Durable Goods
- > Save the Date...August 24<sup>th</sup>...Ukraine Independence Day
- > Save the Date...August 30<sup>th</sup>...2Q US GDP
- > Save the Date...September 1<sup>st</sup>...US Employment numbers
- > All quiet today for FAW, ASF, Locust, Bird Flu

**Commentary:**

Grains mixed overnight... Corn and soybeans saw lack of conviction either way overnight, though wheat futures saw corrective buying.

Day 1 Crop Tour results for South Dakota and Ohio... Scouts on the first day of the Pro Farmer Crop Tour found an average corn yield of 157.42 bu. per acre in South Dakota, up from 118.45 bu. per acre last year and the three-year average of 149.71 bu. per acre. Soybean pod counts in a 3'x3' square came in at 1,013 for South Dakota, up from 871.4 last year but down from the three-year average of 1,039.71.

In Ohio, samples yielded an average corn yield of 183.94 bu. per acre, up from 174.17 bu. per acre in 2022 and up from the three-year average of 175.64 bu. per acre. Soybean pod counts in a 3'x3' square totaled 1,252.93 for Ohio, up from 1,131.64 in 2022 and above the three-year average of 1,160.9.

Today, scouts on the eastern leg of the Tour will sample routes from Noblesville, Indiana to Bloomington, Illinois, and scouts on the western leg will sample central and southern Nebraska.



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