

MORNING GRAIN COMMENTARY

| Morning Trends: |
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| as of 5:00 AM CDT |
| Corn 1 around |
| Wheat 6 to 8 lower |
| Soybeans 1 around |
| Soy Meal .5 around |
| Soy Oil 5 around |

The Stories of the Day:

- [Russian/Ukraine NATO supports the passage of the Russian blockade in the Black Sea \(msn.com\)Ukraine Situation Report: Key Crimean Railway Bridge Targeted In Missile Strike \(msn.com\)Russian hawks are falling in line \(msn.com\)Ukraine Gains Momentum as New Russian Threats Loom \(msn.com\) Same Moscow skyscraper hit in new drone attack \(msn.com\) Russia watches as Saudi Arabia leads Ukraine peace talks with U.S., world allies \(msn.com\) Phone Scammers Coax Russians to Set Fire to Military Offices – Reports \(msn.com\)](#)
- [China Xi Jinping replaces leaders of China's nuclear force \(msn.com\)](#)
- [Niger Europeans evacuated from Niger as neighboring West African juntas warn against intervention \(msn.com\)](#)
- [Sudan Four Months of War in Sudan: Civilians Trapped and Negotiations out of Sight | Wilson Center](#)
- [Armenia/Azerbaijan With Tightening Of Blockade, Azerbaijan Presents Karabakh Armenians With A Choice: Surrender Or Starve \(rferl.org\)](#)

Short Range Weather: A dangerous heat wave will continue across parts of the central and southern Plains, Lower Mississippi Valley, and the Gulf Coast with daytime heat indices approaching or exceeding 110F. Thunderstorms, some severe, may contribute to flash flooding across portions of the Four Corners Region and the central/southern Rockies; parts of the Mid-Mississippi Valley; and the North Central Plains NWS

DTN's Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes: 118 AT STOVEPIPE WELLS, CA LOW MON...34 AT MACKAY, ID...WEST PALM BEACH, FL 1.77 INCHES

[Flights cancelled, thousands advised to evacuate as Typhoon Khanun nears Japan's Okinawa \(msn.com\)](#)

There is a ridge in the West and Plains, a trough in the East, and another trough in the Pacific. The ridge will get split in half as the Pacific trough moves through it later this week and weekend. The weakened ridge will split far north into northwest Canada and down into northwest Mexico while the trough will deepen across the middle of the country early next week. The U.S. and European models are fairly similar. I will use a blend. For the outlook period, temperatures will be above normal across the South and below normal in the Central and Northern Plains. Cooler temperatures may spread east a bit, but this pattern will largely continue into next week. A system will exit the Midwest Sunday or Monday, stalling a front across the Central Plains to the Southeast, which may remain active well into next week. Some disturbances may follow behind the system next week with isolated showers for northern areas of the country as well.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): Scattered showers and thunderstorms moved through over the weekend, producing areas of good rainfall and severe weather. Several disturbances will move through over the next week with periods of showers which may help out corn and soybeans, but it is getting too late to be of much help for wheat. Temperatures will be mostly mild, limiting stress for areas that have been missed.

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A front settled into the region over the weekend, bringing areas of showers and thunderstorms, severe weather, and cooler temperatures to northern areas. The south continued to bake in the heat. That front will remain stalled out in the same general area throughout the week, with southern areas seeing significant stress for any crops or livestock while northern areas see periods of favorable rain and temperatures that will not be as hot. A system moving through this weekend will reinforce that front, though may push it farther south.

MIDWEST (CORN/SOYBEANS): A front sagged through the region over the weekend and brought a relief to temperatures and widespread rain, but also a lot of severe weather. The front will remain stalled off to the southwest but may bring additional periods of showers and thunderstorms throughout the week. Additional disturbances and a system moving through this weekend may bring some occasional showers as well. Outside of a day or two of heat, temperatures will remain mild, favorable for filling corn and pod-setting soybeans.

DELTA (SOYBEANS/COTTON): Heat built in over the weekend with high temperatures approaching the 100-degree mark and overnight lows in the 70s, stressful for filling soybeans and cotton. The forecast remains hot with the cold front essentially stalled over northern areas this week, though there will be some potential for precipitation with the front remaining in the area. Conditions therefore will be mixed, but very unfavorable for any areas that miss out on the rainfall. The front will be pushed farther south this weekend or early next week, with rain following it south.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): A system moving through early this week is providing scattered showers, and another looks to move through later this week. Precipitation will not be widespread or overly helpful. Crops are starting to reach maturity and rainfall will be less beneficial from now on.

BRAZIL (CORN/WINTER WHEAT): Dry conditions in place will be beneficial for safrinha corn harvest. A front moving in this weekend and early next week should bring more showers for developing wheat in the south, which is largely in good condition due to more frequent rainfall.

ARGENTINA (WINTER WHEAT): Soil moisture remains sub-optimal in Argentina. Temperatures rose well above normal this weekend, which continues this week. Growth on wheat should be rapid in areas with adequate soil moisture. A front moving through later this week and weekend will bring colder temperatures through, which may cause damaging frosts to areas that have grown too quickly.

EUROPE (WINTER WHEAT/CORN): Scattered showers fell over most areas this weekend. With a trough continuing to spin off to the north, many more storm systems will be moving across the continent through next week. Temperatures will be mild to cool, favorable for developing corn and other summer crops, but unfavorable for the continued winter grain harvest.

BLACK SEA (WINTER WHEAT/CORN): An active pattern in Europe will keep Ukraine busy this week with several waves of showers moving through. Southwestern Russia will be much drier with hotter temperatures, unfavorable for filling corn.

CHINA (CORN/SOYBEANS): The remnants of Typhoon Doksuri produced heavy rainfall in some areas. Typhoon Khanan may move west into China as well, but models are keeping it offshore before pushing it toward Japan later this week and weekend. If the typhoon makes it into China, it would likely cause devastating flooding to central China's growing areas. Regardless of typhoons moving through, the northeast corn and soybean areas will remain active with periods of rain this week, favoring filling corn and pod-setting soybeans.

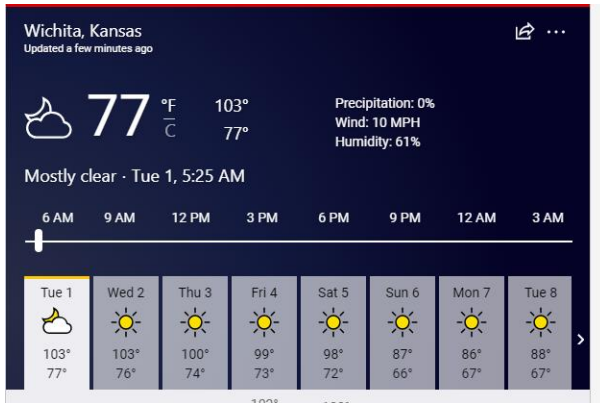
AUSTRALIA (WINTER WHEAT/CANOLA): A system is forecast to sweep through the country this week. Any rainfall will be helpful as soil moisture continues to decline in a lot of areas. Despite a building El Nino, which favors heat and dryness in eastern Australia, that has yet to fully materialize. But the effects may be more pronounced later this year as the crop goes through reproductive and grain fill stages. Conditions continue to be mostly favorable thus far, however.

Headlines:

- > Malaysian Oct Palm Oil market closed down 9 Ringgits
- > Dalian Futures were mixed, Sept corn down 2 to the Yuan, Sept Beans up 19, Sept Meal up 48, Sept Bean Oil down 42, Sept Palm Oil down 42
- > Asian Equity Markets were mixed, Japan's Nikkei up .9%, China's Shanghai flat
- > European Equity Markets are mixed, German Dax down .2%, London FTSE 100 up .1%
- > MATIF Markets are lower, Nov Corn down 1.25 to the Euro, Nov Rapeseed down 5.0, Sept Wheat down 1.50
- > Save the Date...August 4th...US Employment numbers, non-farm jobs up 200,000...unemployment rate M/M unchanged at 3.6%
- > 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
- > All Quiet today for FAW, Locust, ASF, Bird Flu
- > China Floods [Beijing floods: Deadly rains batter China capital as new storm looms \(yahoo.com\)](#)
- > Indonesia Rice [Indonesia's rice reserve not sufficient to weather El Nino next year | The Star](#)
- > Thailand/Vietnam [Thai, Vietnamese exporters rush to buy rice from farmers \(bangkokpost.com\)](#)
- > USDA on Monday rated the Corn crop at 55% good/excellent. Beans at 52%, Spring Wheat at 42%, Winter Wheat at 80% harvested

Commentary: And a new month begins again. August is a weird month. We start the month talking about growing conditions, but we will end the month with our gaze towards the harvest season as well as winter wheat planting conditions. At times in July at the intersection of supply side concerns about the war and weather, spring planted crops screamed higher. But we start the month of August with corn and bean prices back in better balance. Do not get us wrong if finishing weather remains good for corn and the war headlines ease, CZ sub 480 is a fine value to shoot for. The question as we gear up for the fall harvest, what will the farmer do? More and more as prices fall back into balance, it feels like the farmer will harvest beans for cash and store corn. In the case of corn, storing it might mean leaving it in the fields for a natural dry down. This would help the farmer avoid elevator storage and drying costs. The issue for the farmer, the kinked up jet stream. Given the displaced Bermuda high, the wandering Tex/Mex dome and with it the associated ring of fire, this fall could see a higher-than-normal level of severe weather in the Midwest. Keep in mind, that as we enter the Rowdy Roddy Piper Harvest season, just when supply side bears think they have the answers, we supply side bulls will change the questions.

They grow spring planted crops in KS



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