

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CDT

Corn 1 to 3 lower

Wheat 1 to 3 lower

Soybeans 4 to 6 lower

Soy Meal 1.0 to 1.5 lower

Soy Oil 5 to 10 lower

NWS Short Range Weather:

Moderate to major river flooding is expected across the Mid-Atlantic and Northeast through Thursday, along with significant coastal flooding. A winter storm will continue to produce heavy snow across the Cascades, Northern Rockies, and Intermountain West today. Blizzard conditions will persist across the western coast of Alaska today.

DTN Long Range Weather: HIGH TUE...82 AT FORT PIERCE, FL, PLANT CITY, FL, PUNTA GORDA, FL, AND DE SOTO CITY, FL LOW TUE...19 BELOW ZERO AT WILLOW CITY, ND, MONTGOMERY, AL 4.04 INCHES

There is a deep trough in the East and an arm of the polar vortex building in western North America. The polar vortex will send swirl with several pieces of energy through next week as it meanders a bit eastward through next week. It will finally move northeast and out of the continent next weekend, being replaced by a ridge across North America, the general pattern we saw back in December. The U.S. and European models generally show the same pattern through next week but differ on some of the details. I will use a blend, but favor the European. For the outlook period, cold, arctic air will be spreading throughout most of the U.S. and Canada, which could be aided by a storm system that will try to form on the edge of the cold across the Gulf and East Coasts. If it can form, it could produce a significant snow and ice storm for the far South and Southeast. The cold air should linger for most areas the rest of the week. Another storm system could form late next week as well and would have a far south storm track.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): A weak storm moving through Wednesday will bring lighter snow, but a blast of arctic air will follow it through next week, moderating next weekend. The harsh cold will necessitate additional feed for livestock and the quick snap in temperatures could be extra stressful.

The Stories of the Day:

Russia/Ukraine [Vladimir Putin's image given 'huge black eye' as Moscow residents protest heating crisis \(msn.com\)](#)
[Ukraine's Recent Crimea Attacks 'Degraded' Russia's Air Defenses: UK \(msn.com\)](#)
[Kremlin Sounds the Alarm on Increased Attacks on Border Region \(msn.com\)](#)

China/SE Asia [Dire Economic Trend Is a Huge Blow to Xi's China \(msn.com\)](#)
and next time you go out for a hotpot dinner ask what kind of fuel they are using [China's Air Force Used Missile Fuel To Cook Meals—Ex-Officer \(msn.com\)](#)

Israel [Israel-Hamas war live updates: 'Largest' Houthi attack repelled in the Red Sea \(nbcnews.com\)](#)

Australia [Floods Trap Cows, Harm Crops as Wild Weather Hits Australia - Bloomberg](#)

Election Politics [Rice prices poised to climb higher as market remains tight \(msn.com\)](#)

US Budget ['The world is literally at war': McConnell sends strong warning to House Republicans \(msn.com\)](#)

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Another major winter storm will develop on Thursday, and though the precipitation will be widespread, and the track will be similar, the impacts from this storm are forecast to be less than the one that occurred earlier this week. Only some limited areas of moderate to heavy snow are forecast into Friday but could again come with stronger winds and the storm will bring in extremely cold, arctic air for most areas. Models differ on the details of the cold and how long it will last, but is likely to stick around through next week to some degree. A third system may form Sunday into Monday with more wintry impacts for the region, mainly across the south, though models disagree with this as well.

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A storm system brought a mix of heavy rain and snow and near-blizzard conditions over the last couple of days. The storm is exiting to the east early Wednesday. A weak system will bring some light snow through Wednesday and Thursday. Another large storm will follow a similar path as the first for Thursday night through Saturday night, which could hit the same areas again with another round of heavy snow and strong winds for blizzard conditions. That system will bring a blast of arctic air into the region that should last through next week.

DELTA (SOYBEANS/COTTON/TRANSPORTATION): Another large storm will bring a round of showers and thunderstorms through on Friday but will be followed by a burst of arctic air. That could set the stage for a major winter storm for Sunday and Monday that would bring ice and snow to at least northern areas if not most of the region. Models disagree on its development, though. The heavy precipitation with these storms is favorable for further reducing drought and building up water levels in the Mississippi River system.

BRAZIL (CORN/SOYBEANS): Scattered showers will continue in central Brazil through the weekend, though the coverage and intensity are forecast to lessen later in the week and weekend from east to west. Those showers will still be in the region next week however they should be very isolated, causing some discussion about further damage to soybeans and a lack of soil moisture for the coming safrinha corn crop. Across the south, waves of showers are expected in the region this week and most of next week, favorable for filling soybeans and developing other crops. Some of the areas like Mato Grosso do Sul and Sao Paulo that were dry last week will see much better rainfall.

ARGENTINA (CORN/SOYBEANS): Heavier rain continues in the north through Thursday as a front slowly slides northward. The recent widespread rainfall continues to favor developing corn and soybeans. Additional waves of showers are forecast across the country through at least the middle of next week, which maintains the overall favorable conditions.

EUROPE (WINTER WHEAT): Scattered showers continue across the south into Thursday and recent rains here have been favorable for vegetative winter wheat in Spain and Italy. The pattern going stays active across the continent with more storm systems next week that could be more widespread across the region.

AUSTRALIA (COTTON/SORGHUM): A front will linger and continue to bring showers to northeastern areas this week while the rest of the country will be drier. We may see showers perk up from a couple of nearby storms next week. Western areas continue to deal with significant drought, but eastern areas of the country have seen some improvement in recent weeks.

Headlines:

- > Malaysian March Palm Oil closed up 27 Ringgits
- > Dalian Futures Exchange were mixed, May Corn down 9 to the Yuan, March Soybeans down 13, May Meal down 2, May Bean Oil up 120, May Palm Oil up 162
- > Asian Equity Markets were mixed, Japan's Nikkei up 2.1%, an all-time high, China's Shanghai down .5%
- > European Equity Markets are mixed, German Dax up .4%, London FTSE down .1%

- > MATIF Markets are mixed, March Corn unchanged to the Euro, Feb Rapeseed up .50, March Wheat down .50
- > Save the Date...Jan 11th...US CPI...M/M expected .2%
- > Save the Date...Jan 12th...US PPI...M/M expected .2%
- > Save the Date...Jan 12th...one of the biggest data dumps of the year from the USDA...Crop production/Grain Stocks/USDA S&Ds/Winter wheat seedings
- > Save the Date...Jan 15th...US Holiday
- > Save the Date...Jan 19th...Next US Budget Deadline
- > Save the Date...Jan 31st...FOMC Meeting Results
- > Save the Date...Feb 13th...Pitchers and Catchers to report
- > Save the Date...April 8th...from Mexico to Maine a Solar Eclipse [How to watch the last total solar eclipse in the US until 2045 \(msn.com\)](#)
- > Locust, FAW, ASF, Bird Flu all quiet today
- > CONAB Numbers -QT

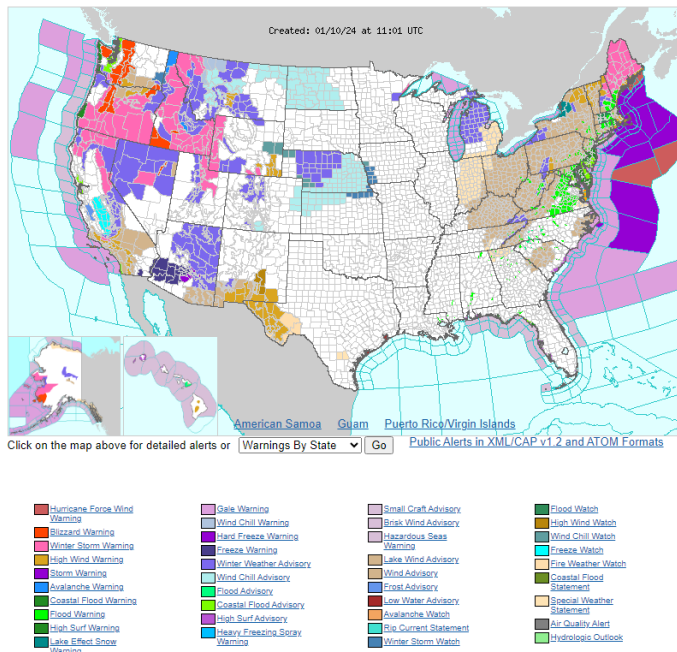
Brazil's CONAB January Soybean production: 155.269 mln mt; prior report 160.177 mln mt

Brazil's CONAB January Corn production 117.603 mln mt; prior report 118.528 mln mt

Brazil's CONAB January Wheat production: 8.097 mln mt; prior report 9.784 mln mt

Commentary: In the headline section we talked about the biggest Houthi attack to date in the Red Sea. Now we all know one of the themes of 2024 is #SafePassage of goods on the Ocean Seas. The Black Sea and the Red Sea war concerns remain. While improvement is expected, the Panama Canal has long term water issue to resolve. #SafePassage is a new variable in the equation for end users everywhere on how to manage just in time inventory. High interest rates suggest, stay lean and mean with inventory, but potential kinks in the supply chain remain at elevated levels. Now we get it, in the Ag space the US is the warehouse of the world. But if you are in Asia and you need safe reliable supplies not subject to weather and war issues, the US West Coast for bulk and container shipments have a value. Staying lean and mean with inventory might just mean paying a premium for reliable shipments. And circling back to where we started, the Houthi issue is one issue that could get worse before it gets better...UK/US missile attacks anyone?

The Colors tell the story, one storm exits stage right, another starts its trek through the West Coast



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