

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 1 to 3 higher

Wheat 1 to 3 lower

Beans 4 to 6 higher

Soy Meal 1.0 to 1.5 higher

Soy Oil 55 to 60 higher

The Stories of the Day:

Another step closer to a huge infrastructure bill

<https://www.msn.com/en-us/news/politics/senate-official-gives-democrats-tool-to-bypass-filibuster-on-certain-bills-heres-what-it-means/ar-BB1fkefM?li=BBnb7Kz>

In another Washington DC Policy shift <https://www.msn.com/en-us/news/world/us-begins-indirect-talks-with-iran-tuesday-on-reentering-nuclear-deal/ar-BB1fkBol?li=BBnb7Kz>

Weather: A trough in western

Canada will send occasional pieces of energy into the U.S. through the next 10 days. A stubborn ridge off the East Coast will cause the disturbances to stall over the Midwest or move north toward Hudson Bay. This should allow for more shower chances across the Midwest. The Canadian trough will eventually retreat farther north and west, allowing for a ridge to build into the West by the end of next week. Meanwhile, a cutoff low, left over from one of the stalled disturbances, will sit in the Great Lakes at the end of the week. The U.S. and European models show some distinct differences in how to treat these disturbances as they stall around the Midwest. I will use a model blend but favor the European. For the outlook period, temperatures on Sunday will be below normal in the Northwest and above normal elsewhere. The below normal temperatures will spread into the middle of the country, but the ridge off the East Coast should prevent the cold air from making it to the East and temperatures in the middle of the country should moderate with time. A system will be in the Midwest over the weekend, trying to move eastward into the ridge. Another will follow behind it by a couple of days, attempting to do the same. Neither storm system is expected to advance to the East Coast, instead decaying over the Great Lakes or being forced northward. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): There will be three systems that will move through the area over the next week, but models are having a difficult time trying to figure out how to develop them. Moderate showers will fall over South Dakota and maybe eastern North Dakota, but the dryness and drought farther west is likely to persist as these systems mostly miss these areas. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): There will be three systems that will move through the area over the next week, but models are having a difficult time trying to figure out how to develop them. Rainfall in March did a good job of delaying or reducing drought, but drought has been trying to build back in over the last week as it remained hot and dry. The periods of showers this week are not expected to be overly heavy for most places, increasing soil moisture but still allowing for many to get into the fields for early planting. There will likely be a lack of showers for southwestern areas, stressing developing winter wheat. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): A few systems are expected to move into the region and stall, with periods of moderate showers continuing through the next week. This should help to increase soil moisture for some of those drier sections of the region. -DTN

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DELTA (SOYBEANS/COTTON): Dry conditions were noted over the weekend, allowing soils to dry and producers to get back into their fields in many cases. A couple of storm systems will move through the middle of the country over the next week, with periods of moderate to heavy showers. This will likely cause planting delays. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers continue over central areas for the next few days, easing concerns for safrinha corn establishment and growth. Very little shower activity continues over the south, in a reversal from last week. Showers over the central growing areas will be necessary to keep soil moisture from falling early due to later planting dates and the start of the dry season, which will come in a few weeks. Dryness over southern areas will start to cause a concern if frontal systems cannot move north from Argentina. -DTN

ARGENTINA (CORN/SOYBEANS): Very little precipitation occurred over the weekend, being favorably dry for much of the country. A system this week will slowly move north late Wednesday through the weekend with continuous periods of showers producing heavy rainfall over southern and central growing areas. This would be untimely for maturing crops and could cause quality issues. -DTN

EUROPE (WINTER WHEAT/CORN): Western areas were dry this weekend, but scattered showers fell across the east and south. Milder temperatures have helped winter crops awaken more from dormancy. A blast of colder air will spread across the continent this week. Several mornings below freezing could impact vulnerable young plants for the next week. Otherwise, soil moisture is favorable for winter crop development. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Scattered showers fell across the region this weekend, but temperatures remained mostly below normal, delaying winter crops from their springtime awakening. A blast of cold air moving through Europe will moderate as it gets into the Black Sea region but will still be near to below normal over the next week and continue the slower growth. However, with the ample soil moisture from winter, crops should find favorable conditions once they do awaken.

NORTHERN AFRICA (WINTER WHEAT): Dryness continued over western areas this weekend, with increasing concern for winter wheat that is getting further into and through reproduction. Eastern areas, which have seen far less precipitation this spring, are drawing more concern for yield prospects, but saw some showers over the last couple of days. However, dryness is likely to take over for the next week for much of the region. -DTN

SOUTH AFRICA (CORN/SUGARCANE): Scattered showers over eastern areas benefited developing sugarcane while mostly dry conditions over western areas favored maturity and early harvest. Some isolated showers will be possible this week, but more dryness is expected. Later-planted corn is likely enduring some stress despite the overall wetness earlier this year. -DTN

AUSTRALIA (COTTON/SORGHUM): Dry weather over the long weekend helped mature cotton and sorghum to dry out and favored harvest activities. A tropical cyclone may develop off the east coast in the next day or two, but it will have no significant impact to the eastern agribelt as the dryness continues to favor harvest. -DTN

MALAYSIA/INDONESIA (PALM OIL): Showers have picked back up across much of the region, though there is still some concern for oil palm in western Malaysia specifically. The increased showers may be enough for the crop going forward, however. -DTN

CHINA (WINTER WHEAT/RAPESEED/CORN/SOYBEANS): Scattered shower fell across the region this weekend, benefiting developing winter crops and prepping soil moisture for spring crops, which will start to occur in the next week or two. -DTN

INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Favorable winter and spring conditions should have much of the winter crops in northwestern India in good condition entering spring. Scattered showers have started to develop occasionally over the interior of India well in advance of summer planting season for cotton and soybeans, which starts with the monsoon in June. -DTN

Headlines

- > Malaysian June Palm Oil up 64 Ringgits
- > Dalian Futures Exchange were mixed May corn up 21 to the Yuan, May beans down 132, May meal down 15, May bean oil up 232 , May palm oil up 200
- > Asian Equity Markets were mixed to lower, Japan's Nikkei down 1.3%. China's Shanghai up .1%
- > European Equity Markets are higher, German Dax up .9%, London FTSE up 1.1%
- > MATIF Markets are mixed, June corn down 1.0 to the Euro, May Rapeseed up 3.25, May wheat down 1.25
- > Remember the Date...March 10th...Parana, Brazil second season corn crop is late...clock is ticking towards an early frost? <https://mygeohub.org/resources/879/download/Corn-growth-stage-day-and-GDU-calendar10.pdf>
- > Save the Date...April 9th...Crop Production and S&D reports from the USDA
- > Save the Date...April 15th...NOPA Crush
- > Save the Date...April 24th...Anzac Day...as always if you need a professional spinner...
- > Save the Date...April 29th...US 1Q 21 GDP
- > COVID-19, N. Korea is not going to the Olympics <https://www.msn.com/en-us/news/world/north-korea-says-it-skip-tokyo-olympics-due-to-covid-19/ar-BB1fkYNK>
- > ASF <https://www.straitstimes.com/asia/east-asia/taiwan-tests-hog-herds-after-african-swine-fever-pig-washes-ashore>
- > FAW/locust/bird flu all quiet
- > GASC and Algeria both looking for wheat
- > In dealing with other countries is time for the US to put away the sanction tool? <https://www.msn.com/en-us/news/world/sanctions-are-destroying-us-dollars-status-as-worlds-top-currency/ar-BB1fk52Z?li=BBnb7Kz>
- > We all know winter crops do not like roller coaster temperatures...some W. European countries that recorded their warmest Marchs ever are about to have the bottom fall out...rapeseed issues anyone? <https://www.washingtonpost.com/weather/2021/04/05/europe-cold-blast-snow/>
- > Political unrest in Jordan <https://www.msn.com/en-us/news/world/in-both-jordan-and-israel-theres-talk-of-a-coup/ar-BB1fkYuD?li=BBnbfcL>
- > The first USDA weekly crop report found that 2% of the corn crop has been planted, 3% of the spring wheat is in the ground, that 53% of the winter wheat crop is rated either good or excellent

Commentary

Much like last week with a back loaded important USDA report, this time Friday's USDA S&Ds, "No News Tuesday" should live up to its billing today. Probably the most interesting task ahead is to track down some of the late day rumors from Monday. We started Monday with the USDA announcing a sale of 130,000 SRW to unknown. Given current wheat/corn relationships this might be feed wheat working out into the world channels. But since it was a sale to unknown traders starting thinking it might be to China. And once you head down that

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path as one would expect more rumors quickly followed. By the close of business yesterday AgResource and others were suggesting that in addition to wheat sold to China that up to 1.2 MMT of US corn was sold to the Chinese over the weekend. Rumors went on to suggest that the corn sales were for new crop positions but there was talk of summer month executions. Today's task either confirm or debunk these rumors, at least it is something to do as we wait on Friday's USDA S&D numbers.

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