

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 1 to 3 higher
Wheat 4 to 6 lower
Beans 4 to 6 higher
Soy Meal 3.5 to 4.0 higher
Soy Oil 30 to 35 lower

The Stories of the Day:
Covid booster shots? Biden administration expected to recommend COVID booster shots for all Americans amid case surge (msn.com)
Fast Fashion Brands and River Pollution Fast fashion brands boost pollution of Africa's rivers: Report Daily Sabah
Now can they govern Taliban announces 'amnesty,' urges women to join government (msn.com)
Grace is lurking Grace strengthens to regain status of tropical storm, NHC says (msn.com)

Weather: There is a trough building into the Pacific Northwest, an upper low in the Central U.S., and a ridge building in eastern Canada. A couple of disturbances around the trough will pulse through western North America through the weekend with the last pulse moving through Canada in the middle of next week. Behind the trough, a ridge will rebuild in the Western U.S. The U.S. and European models do not agree on how to treat the trough, its disturbances, or the building ridge behind it in the Western U.S. I will favor the European with the differences. For the outlook period, temperatures on Monday will be near to below normal in the Northern Plains and near to above normal elsewhere. Cooler temperatures will spread back south through the rest of the Plains and possibly the Midwest after the last system moves through. A system will be moving east out of the Midwest on Sunday. A smaller system may move through right behind that system this weekend into early next week across the northern tier of the country. And a third system could move across the northern tier of the country next week. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A system will begin to impact the region on Tuesday. This system may not have much precipitation with it over the first couple of days as it organizes in the Rockies but should bring scattered showers across the region on Thursday and Friday. Until that moves through, temperatures will be quite high. Models disagree with the system and there is a lot of uncertainty regarding where and how much precipitation will fall, but any rainfall would be good for filling corn and soybeans. There will be two more systems that follow closely behind it through early next week to provide more rainfall as well. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Scattered showers fell across Oklahoma and Texas this weekend, with isolated showers in central Kansas and Nebraska. This will be the general pattern over the next couple of days until a frontal boundary sweeps through the region late in the week with more scattered showers across the north. The region may even stay active into next week with a couple of systems moving across the north as well. Any rainfall would be good for filling corn and soybeans. -DTN

MIDWEST (CORN/SOYBEANS): Some showers will drift northward over the eastern Midwest over the next couple of days while the west stays dry. Models disagree with a system that will come through this weekend but should bring some widespread rainfall to the region. Another two systems will follow behind it going through next week. Any rainfall will benefit filling corn and soybeans, especially across the drier northwestern areas. -DTN

DELTA (SOYBEANS/COTTON): Scattered showers moved through over the weekend but did not hit every area. Some dry spots have popped up recently and could use more moisture. Isolated to scattered showers will continue to be possible for the next week, however, and should help those drier areas for filling cotton and soybeans. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Tropical Storm Fred came ashore last night and is spreading heavy rainfall through eastern Alabama, Georgia, and the western Carolinas into the middle of the week. Some flooding damage will be possible. Scattered showers will continue after the storm leaves through the weekend. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Hot and dry weather continued this weekend, stressing any remaining immature crops. A system slowly moving through this week will bring pulses of scattered showers. It will likely not have any noticeable impact on wheat and canola but could improve conditions for corn and soybeans in the east. The rains will disrupt harvest conditions, however. -DTN

BRAZIL (CORN/WINTER WHEAT): Dry conditions are likely for most of the country through the week, with slight chances for showers over southern areas later this week and weekend as a front goes through. Winter wheat that is getting further into reproduction still needs more moisture across southern areas as soil moisture remains on the lower end of normal for most areas. -DTN

ARGENTINA (WINTER WHEAT): Temperatures will increase this week before a front moves through in the middle to end of the week. The front may produce some isolated showers, but they are not looking widespread. Winter wheat could use more moisture as it develops further. -DTN

EUROPE (SPRING WHEAT/CORN): Mostly dry conditions were noted over the weekend with some isolated showers in the UK and in the northeast. The dryness is favorable for winter wheat harvest while there is mostly good soil moisture for spring and summer crops. A system moved through central and eastern areas early this week and more isolated showers will continue into next week across the continent. Overall conditions remain favorable in most areas. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): A deteriorating upper-level low still brought some good rainfall to far eastern Ukraine and far western Russia over the weekend. It missed the Volga Valley, which has been hot and dry for the last few weeks. The majority of the region will have to wait until a front moves through Ukraine mid-to-late week but will probably miss much of Russia again. Temperatures will continue to be hot in western Russia through the week as wheat and corn conditions decline in the region. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Isolated showers fell in eastern areas this weekend and that will likely remain the case through much of this week. There is a large contrast in crop conditions with poor conditions across the west and south and good conditions in the northeast that does not look to change any time soon. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Mostly dry conditions were noted this week and northeastern areas of New South Wales and Queensland could use more moisture while the rest of the crop areas are doing very well. Drier conditions continue this week with periodic chances for southern areas to see isolated showers. levels remain adequate in the northeast, but more rainfall would be very helpful. -DTN

CHINA (CORN/SOYBEANS): Scattered showers continue across the wetter corn and soybean areas for the next week, keeping soil moisture high, but unfavorably so in some areas. Most of the flooded areas from July have had a chance to dry out a bit more, but there remains some concern about production for some areas. -DTN

INDIA (COTTON/SOYBEANS): The monsoon has become a little less active across western and southern areas, but a monsoon low will likely spread showers back toward the west this week. It may be temporary as it

breaks down this weekend, causing some concern about soil moisture for developing cotton and soybeans. - DTN

Headlines:

- > Malaysian Oct Palm Oil down 62 Ringgits
- > Dalian Futures Exchange were mixed Jan Corn down 14 to the Yuan, Jan Beans up 68, Jan Meal up 7, Jan Bean Oil up 42, Jan Palm Oil up 40
- > Asian Equity Markets were mostly lower, Japan's Nikkei down .4%, China's Shanghai down 2.0%
- > European Equity Markets are mostly lower, German Dax down .3%, London FTSE down .1%
- > MATIF Markets are lower, Nov Corn unchanged to the Euro, Nov Rapeseed down .75, Sept Wheat down 3.25
- > Save the Date...July 31st...The clock is now ticking on US debt ceiling
- > Save the Date...Aug 16th-19th...the annual ProFarmer Corn Belt Crop Tour
- > Save the Date...Aug 26th...2Q US GDP
- > Save the Date...Aug 30th...London Summer Bank Holiday
- > Fall Armyworms, there out there, NC edition [Be wary of fall armyworm - Washington Daily News | Washington Daily News \(thewashingtondailynews.com\)](#)
- > Aussie Mice Plague 2021 or is this just a continuation of 2020? ['Clearly not over': Mouse plague warning amid resurgence \(yahoo.com\)](#)
- > Locust back in E. Africa 2.0 [East Africa: Hunger Looms Amid New Locust Invasion, Covid, Drought and Floods - allAfrica.com](#)
- > Bird Flu/ASF/Grasshoppers all quiet today
- > ProFarmer Tour day one in the books... [The East is a Beast and West is a Wildcard Headlined Pro Farmer Crop Tour in Ohio and South Dakota | AgWeb](#)
- > Supply chain kinks continue to redefine what it means to have just enough inventory [UPDATE 1-Chinese ports choke over 'zero tolerance' COVID-19 policy | Reuters](#)
- > Weekly crop updates from the USDA found that 62% of the corn crop is rated good/excellent, WoW that is down 2%, beans came in at 57%, WoW that was down 57%, Spring wheat was rated at 11% good/excellent, WoW that was unchanged...57% of the spring wheat crop has been harvested

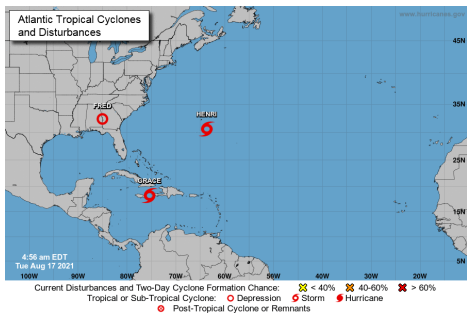
Commentary

Corn remains king in that in the long run is the engine that pulls the train. Corn price direction remains tied to the idea that if we are in a long term demand market then at some point the return of the Pac Rim for feed grains will have to turn to the US. The most bullish thing about corn right now is that with world wheat supplies in decline the ability of the world to substitute high price corn with alternative feed grains has been reduced by one. All that said, in the short run price action is being driven by supplies. And in this supply driven market beans are the wild card. This was underscored last night by the USDA dropping the good/excellent category in beans by 3% points. It is beans that we could end up with the biggest yield disappointments both in the ECB and the N. Plains. It is

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beans that if promised rains this weekend and next underperformed that will be impacted the most. It is beans that the Pac Rim, lead by China that are coming back to the US. And it is beans that will be most impacted if the drought in Brazil is not broken later this month and into early Sept. Beans are where the action is.

The Pattern is full



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