

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CDT
Corn 1 to 3 higher
Wheat 8 to 10 higher
Soybeans 3 to 5 higher
Soy Meal 3.5 to 4.0 higher
Soy Oil 25 to 30 higher

Short Range Weather: Dry, gusty winds will bring critical fire weather Thursday in the northern and central High Plains and mid-Mississippi Valley. Air Quality Alerts continue Thursday west of the Cascades and in the northern Rockies due to ongoing wildfire smoke. A storm system bringing colder temperatures, gusty winds, rain, and mountain snow will arrive into the Northwest Friday improving air quality. **NWS**

Long Range Weather: There is a ridge in the West and a trough in the East. A trough will move into the West Friday and Saturday while the ridge shifts to the East, a pattern which should continue well into next week. A piece of the trough will move through the country around the middle of the week but be opposed by the ridge as it flares back up behind it. Another piece of the trough will move through late next week and weekend, with the western trough moving further west off the coast next weekend and the pattern looking messy going into November. The U.S. and European models are fairly similar into early next week but show significant differences afterward. I will use a blend but favor the European. For the outlook period, temperatures on Tuesday will be above normal in the East and below normal in the West. This pattern should hold into next week though some of the cooler air will try to briefly work eastward later next week. A storm system will move up into Hudson Bay early next week, with its front sweeping through eastern areas of the country with scattered showers. Another system is likely to move out of the West late next week with more showers. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Dry weather and rising temperatures continue the next couple of days, allowing for better harvest conditions for those yet to go. A pattern change is coming this weekend, which will bring a couple of storms through the region with heavier precipitation potential, potential for accumulating snow, strong wind gusts, and colder air. -DTN

CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/WHEAT/LIVESTOCK): Temperatures will rise the next few days ahead of a pattern change. That change will bring a storm system through on Sunday into Monday with potential for showers and thunderstorms, some of which may be severe, along with strong winds. Another

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China its Foreign policy day [China defends 'fighting spirit' of Xi's foreign policy \(msn.com\)](#) [As China's Xi Jinping Tightens Grip on Power, a Faceless Protest Grows \(msn.com\)](#)

China Covid [Under Xi Jinping, zero-Covid is accelerating China's surveillance state \(msn.com\)](#) [Worry for world? China imposes lockdowns in Beijing as Covid cases quadruple \(timesnownews.com\)](#)

Hey NorCal what's shaking [3 consecutive earthquakes hit Northern California \(msn.com\)](#)

system will likely follow later next week and could bring additional showers. Models are inconsistent with rainfall potential in the region, and many areas could be missed. But the pattern does favor higher precipitation chances. Any rain would be helpful for winter wheat establishment in the ongoing drought, but the higher temperatures and winds will reduce any remaining soil moisture for areas where rain misses. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Cold air brought lake-effect rain and snow showers to the Great Lakes this week and still occur in parts of Michigan on Thursday, annoying to those that have yet to harvest. A pattern change coming this weekend will bring warmer air to the region along with potential for showers with a couple of systems next week. Rainfall chances are maximized to the west, which may include strong thunderstorms. -DTN

DELTA (SOYBEANS/COTTON): Cold air settling into the region is producing frosts and freezes for much of the region the last couple of mornings, putting an end to the growing season for those with late-developing crops. It remains dry, with better harvest conditions continuing. A cold front will move through early next week with potential for showers, but it is not expected to be enough to affect harvest progress. -DTN

BRAZIL (CORN/SOYBEANS/WHEAT): A disturbance will continue showers over southern areas through Friday before the region goes drier. That will return showers to central areas, improving soil moisture in these areas. Dryness over southern areas is forecast to last well into November but may not be completely dry. Still, an extended period of dryness will change prospects for corn and soybeans, even though temperatures are forecast to be generally below normal. -DTN

ARGENTINA (CORN/SOYBEANS/WHEAT): A disturbance moving through is bringing showers to the country on Thursday, while a front brings isolated showers to southern areas Friday and Saturday. Another system will move through early-mid next week with more widespread showers as well, but more will be needed to turn around the long-standing drought in the country. Winter wheat filling and corn establishment is already suffering, while soybean planting will likely be pushed back as well since that usually starts up this week. Long-range models continue to suggest the period of below-normal precipitation continuing well into November. -DTN

EUROPE (WHEAT/CORN): A couple of systems will move through the continent over the next week. While western areas are likely to see the best rainfall coverage and intensity, showers should be widespread enough to be favorable for most areas of the continent outside of the southeast. Temperatures above to well-above normal will continue to favor root development for winter wheat for those areas that have good soil moisture, which is most places. -DTN

BLACK SEA (CORN/SUNFLOWERS/WINTER WHEAT): A system moving through the region is bringing some showers and cooler temperatures into Friday. Another system will move through this weekend into early next week with a few showers as well. Showers continue to favor wheat development but may cause further delays for corn and sunflower harvest. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/SORGHUM/COTTON): A slow-moving storm system is bringing widespread showers to eastern areas this week and will be followed by another over the weekend. Soil moisture is more than favorable for filling wheat and canola, but unfavorable for maturing crops and fieldwork for summer sorghum and cotton planting. Heavy rains may also affect quality in some areas. DTN

Headlines:

> Malaysian Jan Palm Oil Market closed down 18 Ringgits

> Dalian Futures were mixed, Jan Corn down 3 to the Yuan, Jan Soybeans down 92, Jan Meal up 17, Jan Bean Oil up 62, Jan Palm Oil up 138

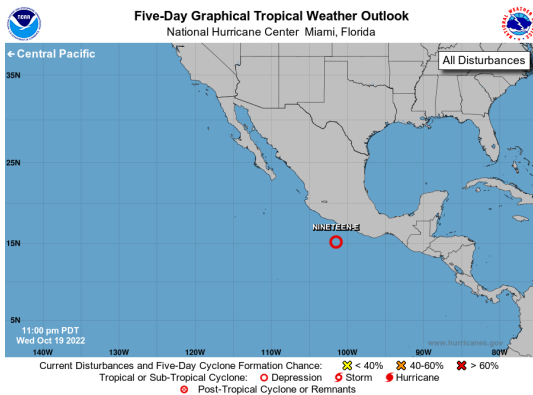
> Asian Equity Markets were mixed to lower Japan's Nikki down .9%, China's Shanghai flat

- > European Equity Markets are lower, German Dax down .6%, London FTSE 100 down .1%
- > MATIF Markets are higher March Corn up 2.50 to the Euro, Feb Rapeseed up .50, Dec Wheat up 3.0
- > Save the Date...Oct 27th...US 3Q GDP
- > Save the Date...Oct 30th...Brazil goes to the polls for round two of their Presidential election
- > Save the Date...Nov 2nd...FOMC Meeting Results
- > Save the Date...Nov 4th...US Employment Numbers
- > Save the Date...Nov 6th...In the US we fall back to good old standard time
- > Save the Date...Nov 8th...US Elections
- > Save the Date...Nov 9th...USDA S&Ds
- > Save the Date...Nov 19th...Ukraine Grain Corridor Expires
- > Save the Date...Nov 19th...Rail Strike Looms
- > FAW/Locust all quiet
- > Bird Flu... [Netherlands culls a further 300,000 chickens amid bird flu epidemic \(msn.com\)](#)
- > ASF...[African swine fever: Safeguarding the future \(nationalhogfarmer.com\)](#)
- > Nigeria Floods [Nigerian firm says it can't ship natural gas after flooding \(msn.com\)](#)
- > With Russia distracted...well I guess neighbors really need good fences... [Kyrgyzstan considers deployment of CSTO contingent in the face of cross accusations of violating agreement \(msn.com\)](#)
- > Weekly Jobless Claims at 7:30 AM CDT expected at 235,000 vs. last week's 228,000
- > Weekly Export Sales at 7:30 AM CDT wheat expected between 300-500,000 MT, corn 400-600,000 MT, beans 1.5-2.0 MMT, meal 200-400,000 MT, bean oil 5-25,000 MT
- > EU needs Ukraine/Brazil corn <https://www.reuters.com/world/europe/eu-maize-import-surge-seen-cushioning-impact-drought-hit-crop-2022-10-20/>
- > Rosario Grain Exchange lowered its 22/23 Argentina Wheat harvest projection to 15.0 mln mt off -1.0 mln mt from last week's forecast. Late season frosts likely damaged the crop. Last season's production was 23.0 mln mt. -QT
- > China's state planner is seeking to increase coordination with pig breeders to ensure stable hog supply, pushing to release fatter pigs more quickly and speed up slaughter rates to cool rising pork prices. -QT

Commentary: For those who are new to the morning wire, you may not know our love of the Chinese liquor Baijiu. The holidays are not the holidays without a toast made with Baijiu. Baijiu is usually made with sorghum.

This past summer the US sorghum crop was devastated by the drought. A drought that continues to this day and is impacting HRW plantings in KS. But sorghum is grown around the world and in fact is a principle summer crop of Australia. And here is where the story and our concerns about our holiday toasts take a turn. E. Australia has been impacted by massive rains for their spring. Quality and quantity concerns are growing over Australian fall planted crops. But given the last two crop cycles of bin buster crops and the fact lift capacity shortages limited their exports, means the worries over the wet spring for fall planted crops is more of a logistical issue. And we all know that today's wheat quality challenged crop can be tomorrow's feed grain crop. But flooding is an issue for spring planted crop delays which will impact Australia's ability to produce a normal sorghum crop. Sorghum as a feed grain is usually traded at a discount to corn. But sorghum when it becomes a food necessity can have a whole different price elasticity. The bottom line if, as some like Eric Snodgrass feel, that the US HRW drought is broke in Q1, the KS farmer is presented with a questionable winter wheat crop might be looking hard at going sorghum in the spring. Until then "Ganbei!!!"

Tropical Weather Season getting closer to a named event...we give you Ninteen-E [Brewing tropical threat looms for western Mexico \(msn.com\)](https://www.msn.com/Brewing-tropical-threat-looms-for-western-Mexico)



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