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Corn

Corn was higher on concerns of lost bushels in Iowa and China chatter as it closed .01 at 3.115 for September futures. According to T-Storm scattered thunderstorms affect far southern corn today-tomorrow as a cool front dissipates. Separately, a slow-moving warm front triggers t-storms within the western third to half of corn over Wed.-Fri. (starting tonight), followed by minor showers and t-storms within a wide area Sat.-Sun. when a cool front passes. Social media today was full of painful images of flattened corn and destroyed grain facilities. Our thoughts and prayers go out to all of those affected by this storm. In Iowa alone we have seen estimates from anywhere around 50Mbu to 400Mbu of corn may be lost. Our bias is that some of these higher estimates from models may be premature until there are some actual boots on the ground assessments of the crop. Farmer selling was slow again today as the CIF market was up 3 and domestic basis was mixed with some pushes being paid in the West. China is continuing to buy U.S. goods, particularly commodities, under its Phase 1 trade deal with the United States, despite rising tensions over Hong Kong and other issues, top White House economic adviser Larry Kudlow said on today. Ahead of tomorrow's monthly USDA crop report, analysts are forecasting US Corn production at 15.170Bbu vs July at 15.000Bbu with yields at 180.4 vs 178.5 in July. They estimate US 20/21 Corn ending stockpiles at 2.800Bbu up from the 2.648Bbu in July and 19/20 US corn ending stocks are forecast at 2.265Bbu compared to July's 2.248Bbu.

Beans

The bean market finished 1c stronger but 3c off highs. Beans were firm early on strength in corn from storm reports and confirmation of export business. The market was chatting about bean business in the gulf yesterday and confirmation came in the daily sales announcement with 132,000 mt to China. We suspect additional business is being done as the PNW was active late yesterday and we are not going to be surprised to see additional sales announced tomorrow. The average trade guess is for a yield of 51.2 (USDA 49.8) but some are suggesting yields could be as high as 53 – 55 bpa. Weather has certainly been nonthreatening, but it is hard to believe tomorrow's yield estimates will be much higher than the average guess as this is a farmer survey with no field samples. The average guess is for a 524 million carryout for 20/21 which would be an increase of 100 from July. We expect crush and exports to go up, maybe as much as 100 million bushels. This would give room for a substantial yield increase if the WASDE decides to go there. We suspect modest increases in exports, crush, and yield to give a smaller carryout than the industry guess.

Wheat

Wheat made a recovery off its recent lows with WU up 4 cents at 4.95, KWU up 2 ¾ at 4.16 ¾ and MWU up 2 at 4.92 ¾. The impressive commodity for the day is gold which is trading \$111 per oz lower as of this writing with talk of a tax cut which is supporting equities and pulling money from the precious (alternative) metals. The spring wheat unexpected decline of 4% in the good to excellent category for crop condition contributed to support. The average estimates for world wheat on tomorrow's report are looking for the 2019-20 carryout to be down slightly at 296.55 mmt, climbing to 313.84 mmt for 2020-21. The estimate adds 17.29 mmt to the carryout but is down 1 mmt versus the July report. Russia, Australia, and Canada production numbers may be increased tomorrow adding further to the carryout increase. Egypt bought 120,000 mt of Russian wheat.

| CASH BASIS BIDS | Spot | Sep |
|----------------------------|------|-------|
| Corn Cif Nola | 54+U | 57+U |
| Truck Hennepin | NA | NA |
| Truck St Louis | 25+U | 13+U |
| Iowa Interior UP | 15-U | 17-U |
| Columbus CSX | 16+U | 7-U |
| Fort Wayne NS | 8+U | 4-U |
| Dlvd Hereford | 94+U | 96+U |
| Dlvd PNW (2YC) | NB | 112+U |
| KC RAIL | NB | NB |
| Nebraska Grp 3 | 11-U | 10 -U |
| Dlvd Decatur | 12+U | 3+U |
| Wheat Cif Nola | 50+U | 62+U |
| Beans Cif Nola | 77+X | 72+X |
| Truck Hennepin | NA | NA |
| Truck St Louis | 45+X | 23+X |
| Dlvd Decatur | 5+X | 5+X |
| Dlvd Des Moines | 34-X | NA |
| IL River Barge Frt. | 335 | 425 |
| BNSF Shuttle Frt. | \$50 | \$350 |