



# Morning Agriculture Commentary

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Overnight trade has SRW Wheat up roughly 4 cents, HRW up 5; HRS Wheat up 3, Corn is up 2 cents; Soybeans up 13; Soymeal up \$5.00, and Soyoil up 5 points.

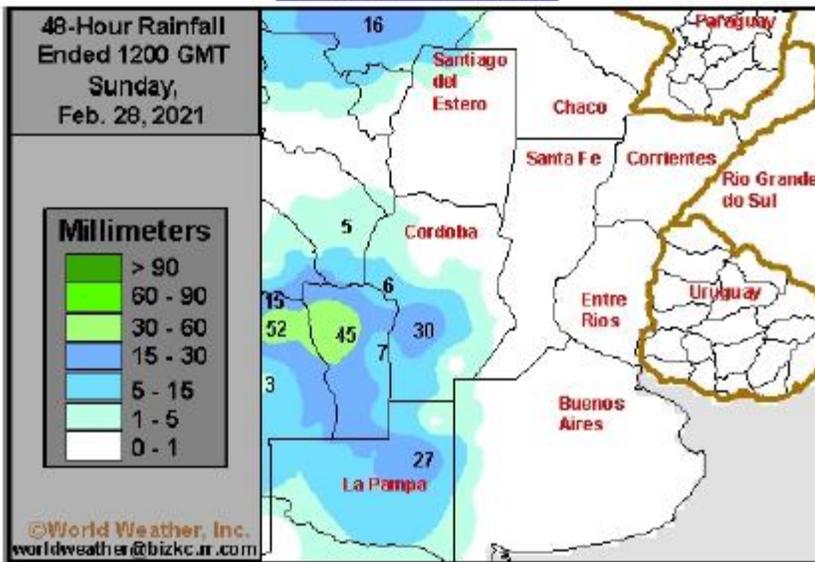
For the week, SRW Wheat prices were up roughly 5 cents; HRW down 5; HRS down 1; Corn was up 2 cents; Soybeans up 24 cents; Soymeal down \$2.00, and; Soyoil up 270 points. Crushing margins were up 2 cents at \$0.66 (July); Oil share up 1% at 36%.

For the month, SRW Wheat prices were down roughly 2 cents; HRW down 8; HRS down 7; Corn was down 1 cent; Soybeans up 43 cents; Soymeal down \$6.00, and; Soyoil up 550 points. Crushing margins were down 3 cents \$0.66 (July); Oil share up 2% at 36%.

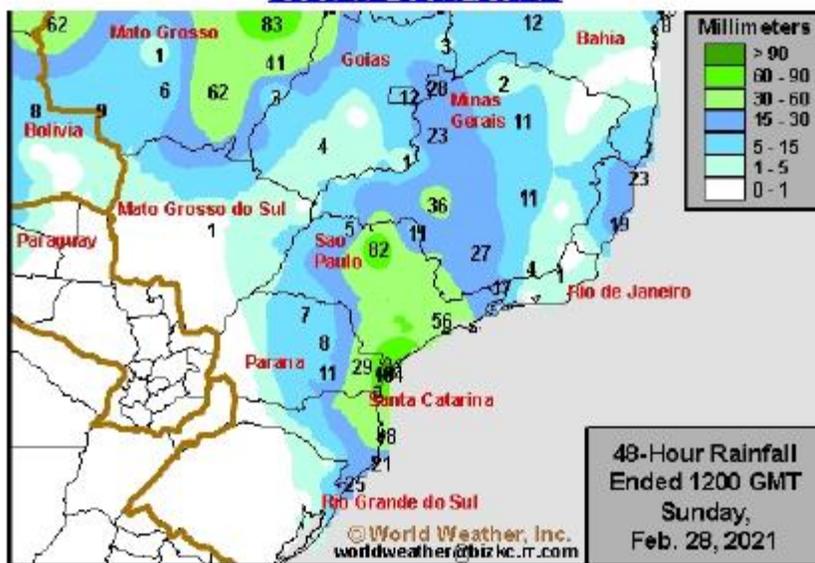
Chinese Ag futures (May) settled up 78 yuan in soybeans, down 11 in Corn, down 51 in Soymeal, up 166 in Soyoil, and up 86 in Palm Oil.

Malaysian palm oil prices were up 50 ringgit at 3,792 (basis May) at midsession, a 7 week high, following rival vegoils.

### ARGENTINA RAIN



### BRAZIL RAINFALL



#### South America Weather Forecast

Argentina crop areas are facing another ten days of net drying. Weekend weather was dry except for a few locations. Subsoil moisture this morning was still rated favorably while the topsoil was short to very short from parts of La Pampa and western Buenos Aires through most of Santa Fe and Entre Rios. Weekend temperatures were in the 90s Fahrenheit and similar readings were expected this week with a few extremes over 100. Crop stress will intensify this week as the ground continues to firm especially next week if dryness prevails as advertised. Rain

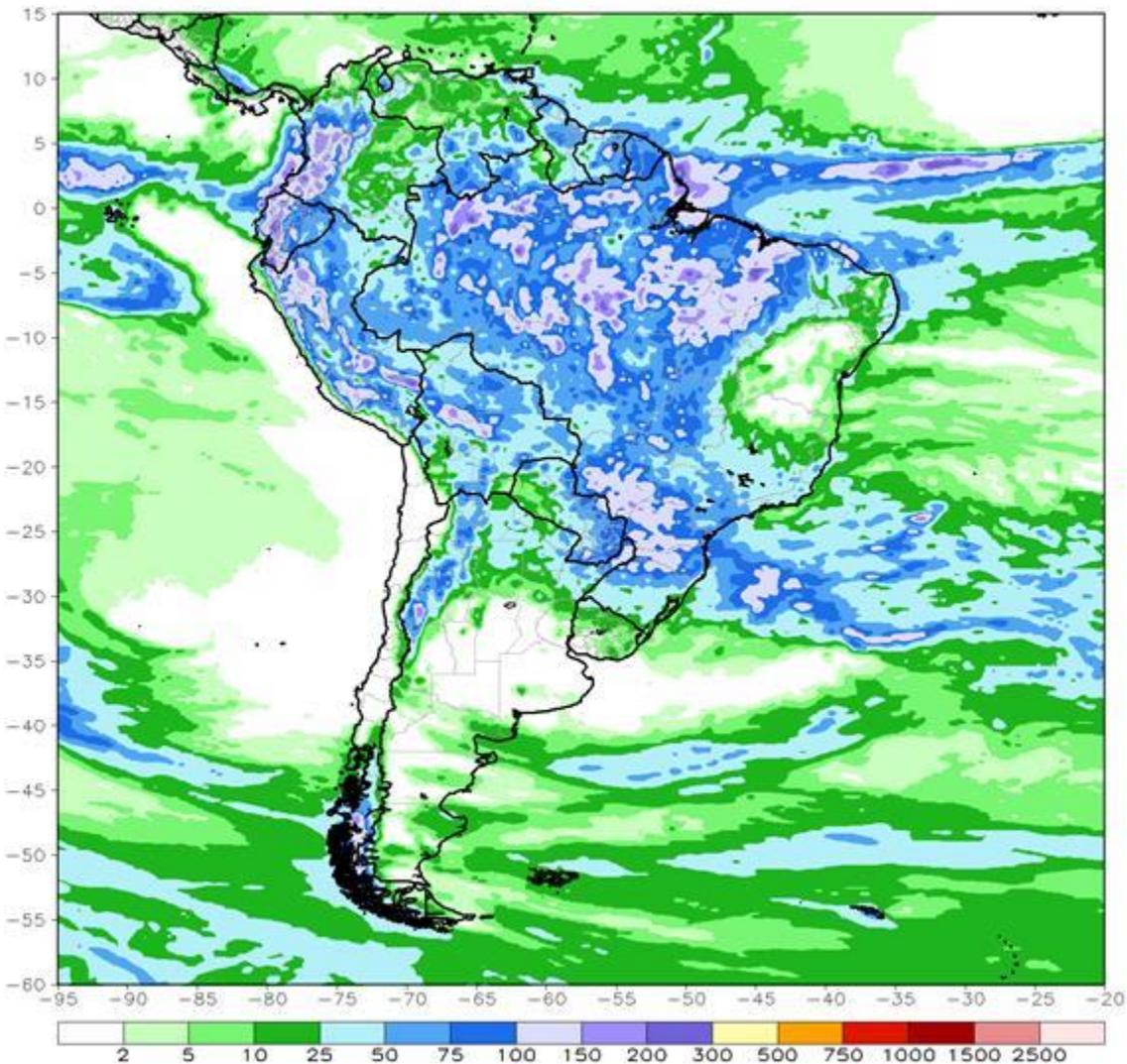
potentials are advertised to increase after March 12 in portions of the nation – confidence is low, though.

Southern Brazil dryness will be eased this week with timely rain for the next ten days. Topsoil moisture was rated marginally adequate to very short this morning. Subsoil moisture was still rated adequately throughout the region keeping crops in good shape while the topsoil firmed. Temperatures were in the 80s and lower 90s Fahrenheit Friday and Saturday afternoon. Rain is expected periodically over the next ten days to prevent the region from experiencing moisture stress or any threat to production. The recent dry weather was very good for advancing soybean maturation and harvest progress as well as the planting of Safrinha crops, but rain coming up will slow farming activity and raise some concern over the speed in which harvesting and planting advance.

#### SOUTH AMERICA ONE WEEK PRECIP FORECAST

### GFS week1 Total Rainfall (mm)

Ending: 00z08Mar2021



The player sheet had funds net sellers of 7,000 SRW Wheat; net sold 4,000 contracts of Corn; sold 3,000 Soybeans; sold 1,000 lots of Soymeal, and; net even in Soyoil.

We estimate Managed Money net long 24,000 contracts of SRW Wheat; long 358,000 Corn; net long 165,000 Soybeans; net long 66,000 lots of Soymeal, and; long 119,000 Soyoil.

Preliminary Open Interest saw SRW Wheat futures down roughly 4,600 contracts; HRW Wheat down 1,300; Corn down 17,700; Soybeans down 4,800 contracts; Soymeal down 1,400 lots, and; Soyoil up 130.

Deliveries were 6 Soymeal; ZERO Soyoil; 47 Rice; ZERO Corn; 1,288 HRW Wheat; 121 Oats; ZERO Soybeans; ZERO SRW Wheat, and; 612 HRS Wheat.

There were changes in registrations---(Oats up 121, Rice up 12, HRW Wheat up1,200}

Registrations total 49 contracts for SRW Wheat; 121 Oats; Corn ZERO; Soybeans 169; Soyoil 1,248 lots; Soymeal 175; Rice 978; HRW Wheat 1,291, and; HRS 1,023.

### **TODAY---EXPORT INSPECTIONS—MONTHLY OILSEED, GRAIN CRUSH---**

U.S. soybean processors likely crushed 5.867 million short tons of the oilseed in January, or 195.6 million bushels; estimates ranged from 195.0 million bushels to 196.1 million bushels, with a median of 195.6 million bushels. If realized, the crush would be up from the 193.7 million bushels processed in December and 188.8 million bushels crushed in January 2020. It would also be the biggest January crush on record and the second-largest crush for any month, behind only October 2020.

The USDA is scheduled to release its monthly fats and oils report at 2 p.m. CST (2000 GMT) on Monday.

U.S. soyoil stocks as of Jan. 31 were estimated to have grown to 2.315 billion lbs compared with 2.219 billion lbs at the end of December and 2.351 billion lbs at the end of January 2020. Soyoil stocks estimates ranged from 2.278 billion to 2.350 billion lbs

U.S. biodiesel production rose to 159 million gallons in December from 151 million gallons a month earlier, the U.S. Energy Information Administration said; Soybean oil remained the largest biodiesel feedstock, with 744 million lbs used in December. In November, soyoil used in biodiesel production was 683 million lbs.

### **'Oil World'**

**Oilseeds Testing Multi-Year Highs, Driven by Veg. Oils**

Dryness causes crop concern in Argentina. Soybeans cannot solve vegetable oil shortage, prompting strong price reaction.

Large plantings in Canada & Australia required to satisfy world demand for rapeseed & canola in 2021/22. Sharply reduced stocks keep world supplies tight next season.

Bigger than expected crushings reduced EU oilseed stocks below the year-ago level in recent months. The EU-27 is seen importing a record rapeseed/canola in 2020/21. EU exports of rapeseed oil reached a 7-year high in 2020.

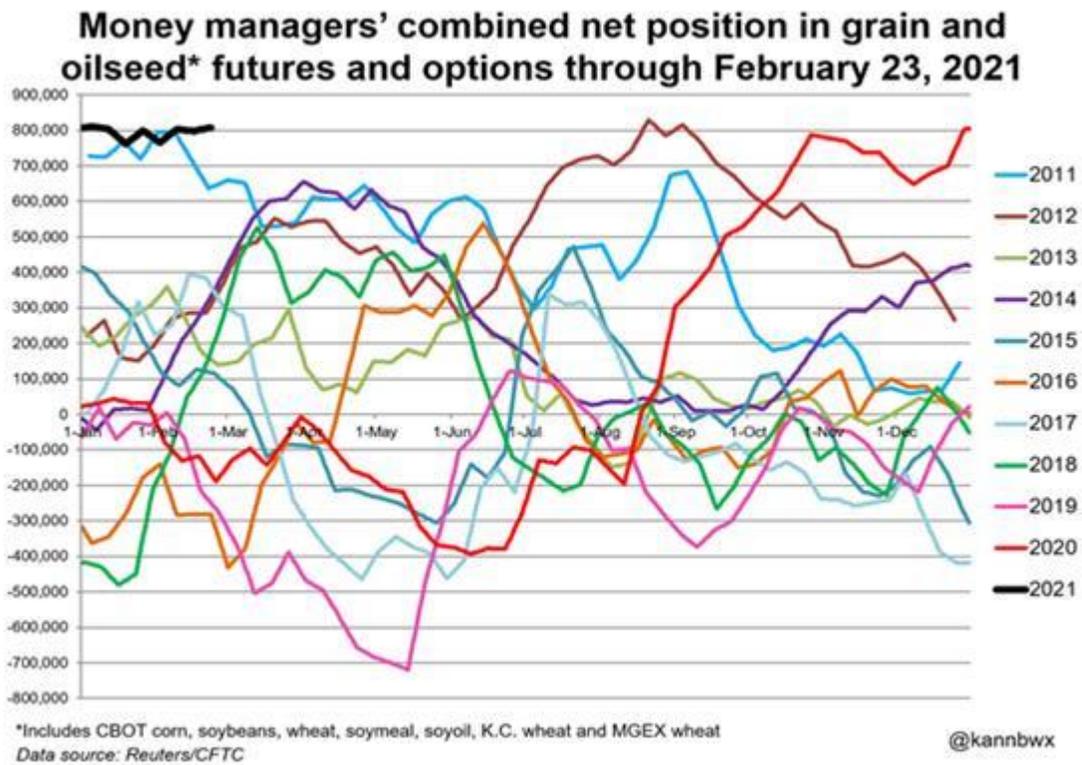
Combined exports of wheat and corn from key countries were in 2020, driven by Chinese demand.

Prices of fish oil and meal have trended sideways in recent weeks, reflecting subdued trading activity.

Russian exports of oilmeals will probably be larger than assumed in 2020/21.  
Poultry sector hit by avian flu.

Argentine soybean crop jeopardized by dryness. Soybean crush in Jan/March revised upward, given strong product demand.

When speculators rack up unusually bullish bets in Chicago-traded grains and oilseeds, market participants often brace for the potential sell-off that can soon follow. But investors have maintained historic optimism since late last year as doubts persist that supply tightness will ease.









China's soymeal futures plunge on pig disease concerns last Friday; China's soymeal futures slid nearly 5% in their sharpest decline in eight years on Friday, as investors took profit and new African swine fever outbreaks stirred concerns over demand.



Brazil's soybean production is expected to reach 129.98 million tonnes in the 2020/21 harvest, consultancy AgResource estimated on Friday, an increase from the 128 million tonnes previously projected. An AgResource analyst said excessive rainfall is expected to limit production and this will become evident as the harvest advances. Some farmers have faced 30% discounts in Mato Grosso due to soy that has been rained on.

The International Grains Council (IGC) has lowered its forecast for grain exports from Russia this farming year - from July 2020 to June 2021 - by 1.1 million tonnes to 46.7 million tonnes, according to its February report. In January, the forecast was lowered by 1 million tonnes to 47.8 million tonnes.

IGC has raised the grain production forecast to 126.4 million tonnes from 125.6 million tonnes in January and the estimate for carryover grain stocks by July 1, 2021 to 16.1 million tonnes from 14.9 million tonnes.

At the same time, the forecast for wheat exports, as in the previous month, is unchanged at 38.9 million tonnes. The estimate for the wheat harvest has been increased to 85.3 million tonnes from 84.5 million tonnes and for carryover stocks to 12.8 million tonnes from 12 million tonnes, respectively.

IGC raised the global grain production forecast to 2.216 billion tonnes from 2.210 billion tonnes the previous month. It increased the wheat harvest estimate to 772.8 million tonnes from 768 million tonnes.

Russia harvested 133.5 million tonnes of grain after drying and cleaning in 2020, the final data from the Federal Statistics Service (Rosstat) showed

	2020	2019
Grains:	133.5	121.2
wheat	85.9	74.5
barley	20.9	20.5
corn	13.9	14.3

Russia's February exports of wheat, barley and maize (corn) are estimated at 3.4 million tonnes, up from 3.2 million tonnes in January, the SovEcon agriculture consultancy said.

Ukrainian soft milling wheat export prices added \$5 a tonne over the past week, supported by worries about spring crops conditions after severe frosts across the Black Sea region, APK-Inform agriculture consultancy said.

Ukrainian sunflower oil asking export prices rose by \$85 a tonne over the past week, following a global upward trend and a rise in demands from exporters, analyst APK-Inform said. It said Ukrainian-origin sunoil prices rose to a range of \$1,480 to \$1,500 per tonne FOB Black Sea with delivery in April-May. The consultancy last month increased its forecast for Ukraine's sunoil production and exports for the 2020/21 season to 6.219 million tonnes and 5.780 million tonnes, respectively.

Euronext wheat edged lower on Friday after a volatile week in which front-month futures hit multi-year highs, with traders assessing whether a recent rally has dampened export demand. May milling wheat was down 1.75 euros, or 0.8%, at 229.75 euros a tonne as it pulled away from Wednesday's one-month high of 233.75 euros. March was down 0.6%, at 244.25 euros a tonne, after earlier equalling Thursday's peak of 246.75 euros that was a 7-1/2-year high for a front-month price.

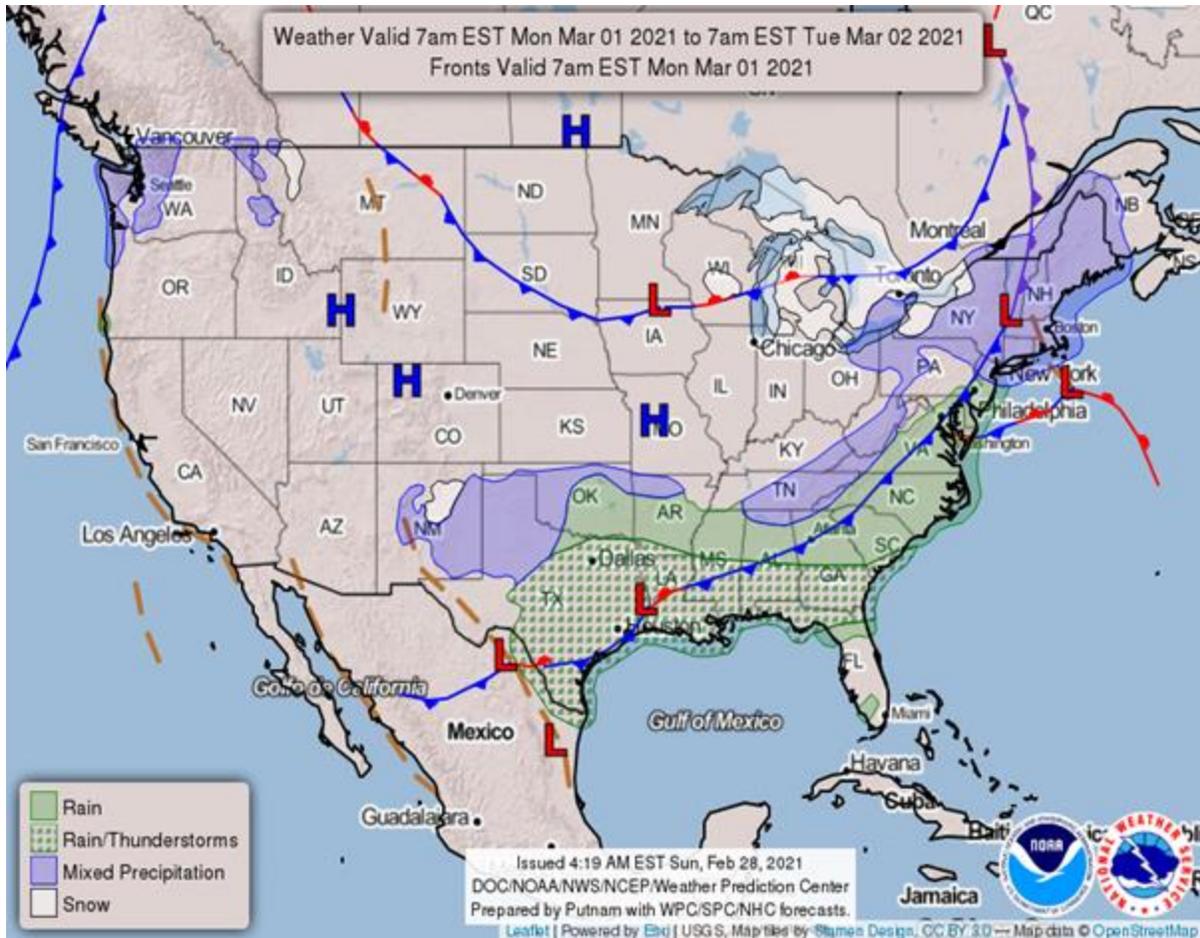
Exports of Malaysian palm oil products for February fell 4.6 percent to 1,052,779 tonnes from 1,103,618 tonnes shipped during January, cargo surveyor Societe Generale de Surveillance said.

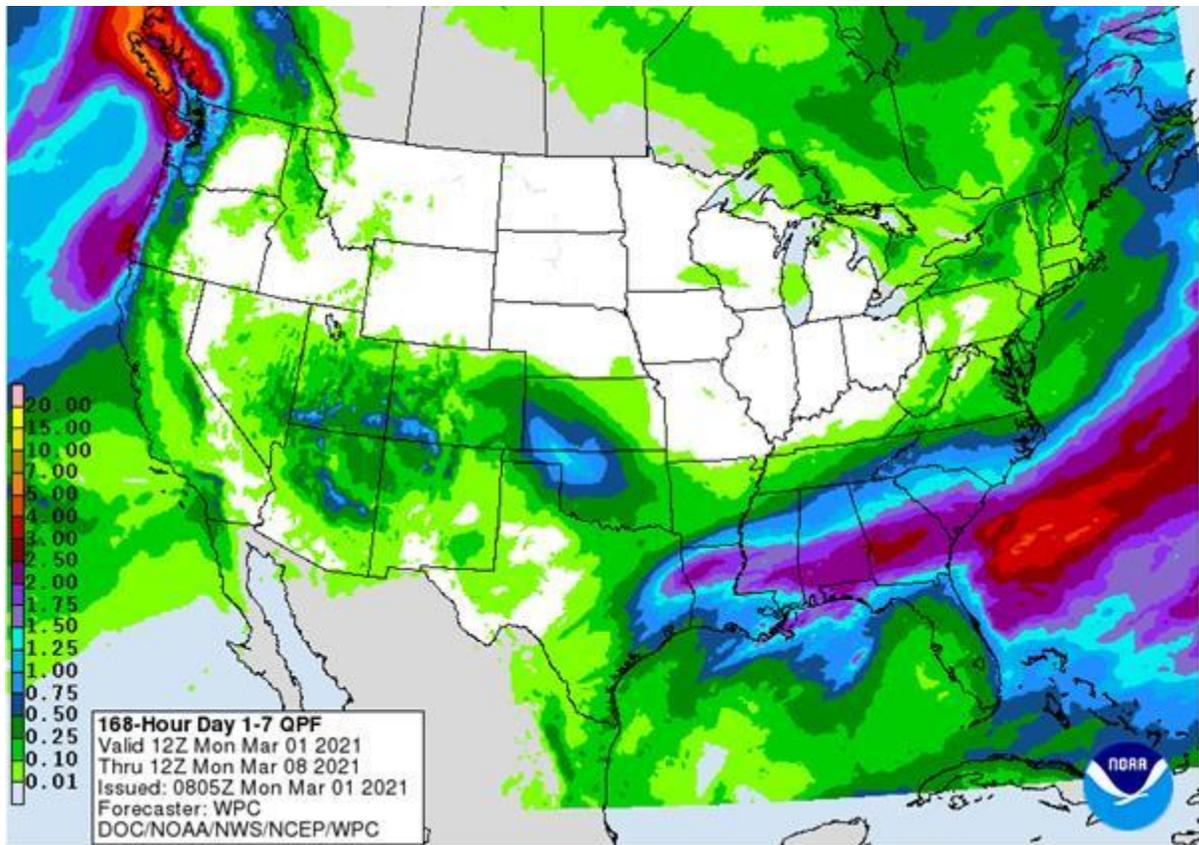
Malaysian palm oil product exports for February fell 5.5% to 1,001,440 tonnes from 1,059,225 tonnes shipped in the previous month, cargo surveyor Intertek Testing Services said on Sunday.

MALAYSIA'S FEB PALM OIL EXPORTS SEEN AT 1,000,854 TONNES VERSUS JAN AT 1,089,702 TONNES - AMSPEC MALAYSIA.

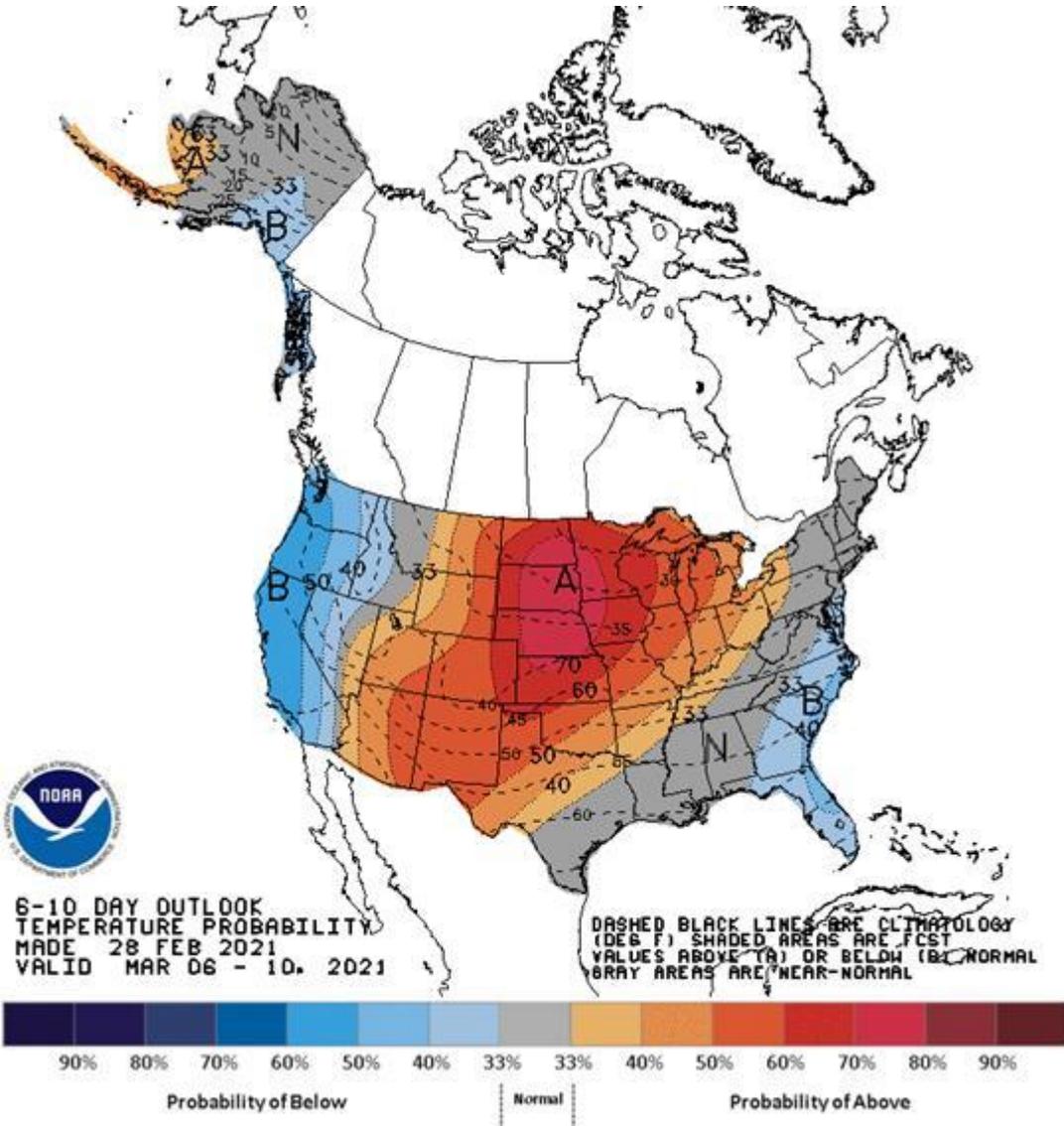
### MONDAY FORECAST

### 7 DAY PRECIP MAP



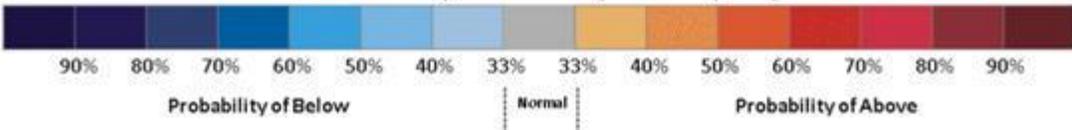


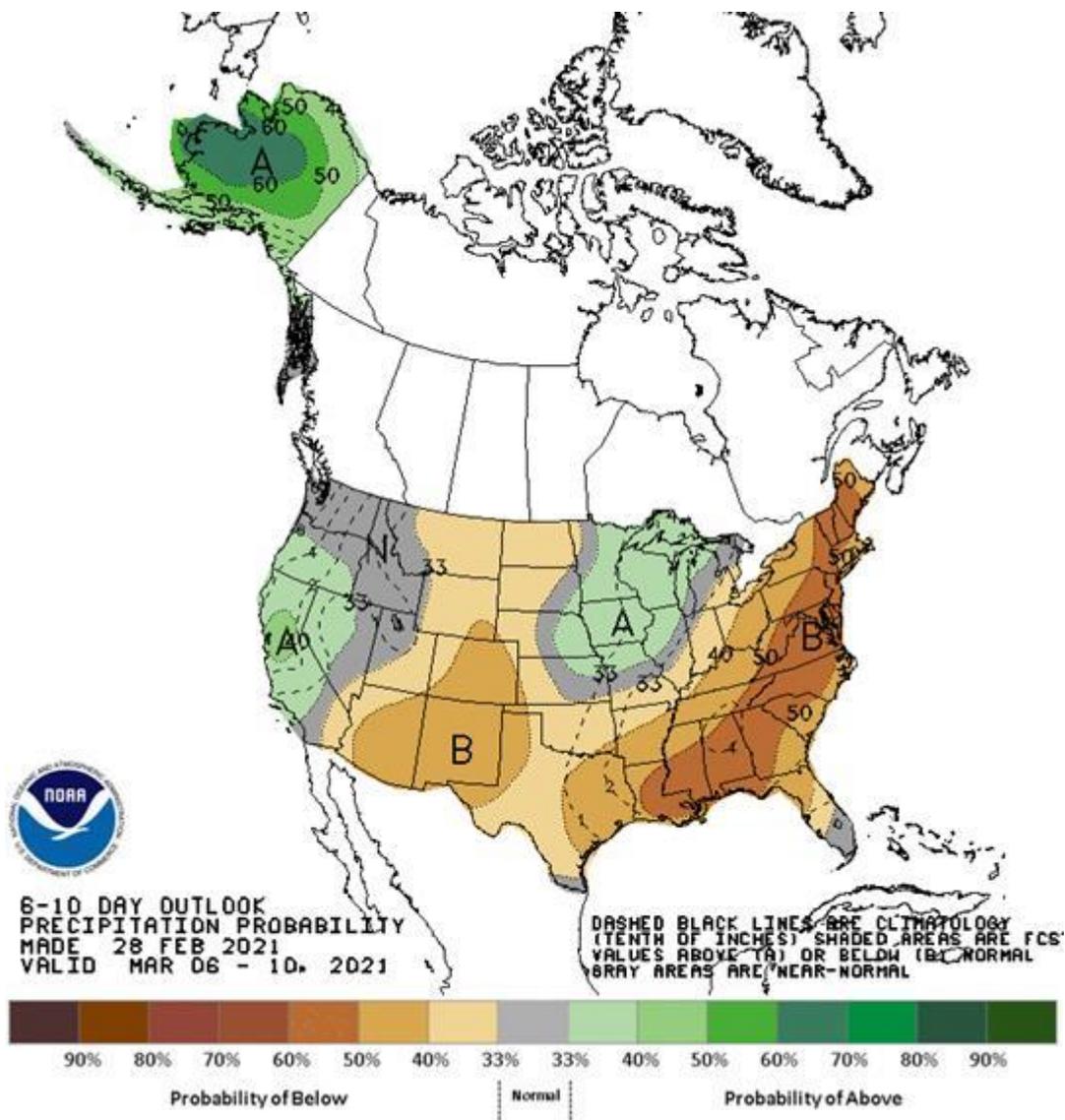
**U.S. 6-10 DAY FORECAST (TEMP/PRECIP)**



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 28 FEB 2021  
VALID MAR 06 - 10, 2021

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL





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