



# John Stewart AND ASSOCIATES

April 13, 2021

## Corn

The China corn roll to new crop or cancellation talk must have been called off today as we closed up .11 at 5.80 for May futures. In Brazil, some storms dot very dry southern areas Friday and Saturday, but well-organized rainfall is not currently expected with scattered 0.50" to 1.00" totals or less, and the next chance of rain for the region is most likely Thursday thru Saturday of next week. Agencies in Brazil seem to be getting more concerned with 2nd crop corn as IMEA dropped Mato Grosso production 3.5%. The world needs a good 2nd corn crop out of Brazil and in all likelihood, this is the driver for support in the near term. Corn based ethanol production jumped 58% in Brazil in the 2020/21 season ending in March to 2.57 billion liters according to UNICA, and it is nearing 10% of total ethanol output in the country. US corn planting progress went from 2% up to 4% comparing to 3% on average and 3% last year. Domestic corn basis remains firm with some plants having to compete with rail where +15CK FOB traded in South Dakota yesterday going to the PNW. We did see a little bit of farmer selling today but nothing huge as most tell us that most of the old crop offers have been filled and any new old crop offers have dried up. Most of what we are seeing is new crop sales right now and the \$5.00 flat price level is going to buy bushels. China imported 6.727MMT of corn from Jan-March, up 437.8% from the previous year.

CASH BASIS BIDS	Nearby	May
<b>Corn Cif Nola</b>	68+K	63+K
Truck Hennepin	18+K	14+K
Truck St Louis	39+K	35+K
Iowa Interior UP	0+K	0+K
Columbus CSX	16+K	21+K
Fort Wayne NS	8+K	10+K
Dlvd Hereford	110+K	113+K
Dlvd PNW	140+K	135+K
KC RAIL	30+K	30+K
Nebraska Grp 3	9+K	9+K
Dlvd Decatur	20+K	24+K
<b>Wheat Cif Nola</b>	100+K	100+K
<b>Beans Cif Nola</b>	59+K	66+K
Truck Hennepin	4+K	12+K
Truck St Louis	27+K	34+K
Dlvd Decatur	40+K	40+K
Dlvd Des Moines	15+K	25+K
<b>IL R Barge Frt.</b>	330	325
<b>BNSF Shuttle Frt.</b>	\$300	\$50

## Beans

Beans firmer today on corn and bean oil strength with SN up 5 ¾ c. the SKSN spread bounced off yesterday's low trade to settle at 4 ¾ c inverse. CIF/delivery equivalents are still 3 – 4 c negative which should keep the spread defensive. Domestic basis is rock solid with substantial pushes being paid to solid bids. Rumors of central Illinois bids of +50K. Rumors continue suggesting ASF is worse in China than suspected but it is impossible to know at this time. Board margins are not spectacular but actual crush margins are good on the strength of strong soy oil basis levels. NOPA crush for March should be back at record levels. Brazil lineup is sliding to 12 mmt with 6 mmt loaded in April so far. The Brazilian grain exports association (ANEC) is forecasting 16.3 mmt of exports for April. Brazil basis continues to trade 30 – 40c off lows with deferred months still 20+c below highs.

## Wheat

The wheat complex like most commodities was higher on the day with a third consecutive day of overlapping trade. WK gained 1 ¾ cents to close at 6.29 ¾, KWK is up 5 ¾ at 5.84 ¾ (only 4 ¾ cents above CK) and MWK is 6 ¼ higher at 6.49. Paris and Black Sea were higher on the day as well. The higher trade occurred even with US HRW looking at good rain potential Thu through Friday. Spring wheat is 11% planted versus 6 average with farmers planting in dry soil praying for rain. French Farm Ministry is estimating wheat acres to be up 14.6%. The US dollar index peaked the last trading day of March and has been declining steadily since. Korea bought optional origin feed wheat for Sep-Oct shipment and Algeria is tendering for durum for May shipment.

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