John Stewart AND ASSOCIATES

CASH BASIS BIDS	Nearby	July
Corn Cif Nola	71+N	61+N
Truck Hennepin	26+N	17+N
Truck St Louis	45+N	36+N
Iowa Interior UP	15+N	15+N
Columbus CSX	42+N	42+N
Fort Wayne NS	32+N	32+N
Dlvd Hereford	NB	NB
Dlvd PNW	118+N	120+N
KC RAIL	54+N	54+N
Nebraska Grp 3	NB	NB
Dlvd Decatur	27+N	33+N
Wheat Cif Nola	52+N	52+N
Beans Cif Nola	60+N	65+N
Truck Hennepin	10+N	16+N
Truck St Louis	31+N	36+N
Dlvd Decatur	110+X	120+X
Dlvd Des Moines	15+N	15+N
IL R Barge Frt.	295	290
BNSF Shuttle Frt.	-$300	-$300

June 7, 2021

Corn

Like we said last week we are in a weather market where every forecast counts, as we reversed off the gap higher overnight to close down .035 at 6.7925 for July futures. According to T-Storm an upper-level system Thu. -Fri is forecast to bring .5 to 1.5 inches of rain to the southeast half of the Corn Belt. Separately, scattered t-storms in drought-stricken areas of the northern Plains could see 0.50" to 1.50". A wide area missing the showers will be fairly dry with less than 0.50" over the next week. Spread weakness was a feature as well with the CN losing 18 cents to CU and basis weakness at several domestic plants. Seems like the market has scared out bushels from not only the producer, but also commercials hands who are dreading rolling shorts though the CN/CU inverse. U.S. corn export inspections were on the low end of expectations coming in 1,413,073MT with China taking 343,053MT out of the Gulf and 199,512MT off the PNW. Market was looking for this afternoon's weekly USDA progress report to show US Corn conditions at 74% G/E with a range of 72-75% down from the 76% last week and it came in at 72%. First thought is that this looks friendly unless the weather pattern changes. Ahead of this Thursday's monthly USDA crop report analysts are forecasting US 20/21 Corn ending stocks at 1.201Bbu down from May's 1.257Bbu, 20/21 global Corn ending stocks are estimated at 280.8MMT versus May's report at 283.53MMT; 21/22 global Corn ending stocks at forecast at 289.2MMT compared to May's report at 292.3MMT. Market is also looking for them to show 20/21 Argentina Corn production at 47.0MMT unchanged and Brazil Corn production is seen at 97.3MMT down from May's 102.0MMT projection.

Beans

The bean market traded firmer overnight on heat and dryness in the northern plains. But the day turned into profit taking for spread traders as SN finished down 23 ½ c on the day, 63 ½ c off highs. SX fared a little better as it closed 4 ½ c firmer on the day but 40c off overnight highs. The trade became nervous as domestic basis levels continue to slide. Some plants in Central IL are down 40c from last week after rolling to the X. Brazil paper continues to be defensive which values down 4-8c from last week. Exports were 8 mil bu which puts YTD to 2,082 mil bu with a USDA goal of 2,280. Interesting to see the average guess for carryout for Thursday's WASDE up 2 mil bu. Forecasts remain dry so I would expect SX to continue to have strength. Bean planting was 90% which was slightly below market expectations of 92%. The 90% complete is up 6% on the week and last year. this is well ahead of the five-year average of 79%. Soybeans emerged was up 14% from last week to 76%. This is well ahead of last year's 65% and the five-year average of 59%. Soybean crop conditions were 67% G/E which is behind last year's 72%. Only 1% was rater very por with 5% rated poor.

Wheat

Wheat led by MWN had a wild outside day of trade with a 65 ½ cent trading range. WN is 7 ¾ cents lower at 6.80, KWN 6 ½ cents lower at 6.30, and MWN 27 ¾ cents lower at 7.85. The forecast does offer the potential of some rain relief for parts of Canada and US spring wheat, triggering today's selling. The non-grain markets were mostly lower, including the dollar index. IKAR increased the Russian production estimate to 80 mmt versus 79.5 previous. Abares raised the Australian estimate to 27.8 mmt which is still 17% below last year but 15% above the 10-year average. Weekly exports of 418,547 mt saw 165,627 to Philippines and China lifted 64,000 mt. Japan is in for 181,000 of US, Canada, and Australian wheat. Algeria is tendering for 50,000 mt of milling wheat. Spring wheat dropped to 38% good to excellent from 43 last week. Winter wheat is 50% good to excellent up 2.