

Upcoming Reports

Commitments of Traders – Today, 2:30 pm
Quarterly Stocks – September 30th 11:00 am

Macro News

Dow futures are down 166 points at 34,478 and Crude Oil is down .24 cents at 73.04.
U.S. futures fell with cryptocurrencies and related stocks after the Chinese central bank banned all crypto transactions and vowed to stop illegal crypto mining. European bond yields pared an earlier selloff fueled by the prospect of tighter monetary policy.

Grain News

T-Storm Weather Summary: In the U.S., mainly dry and mild to very-mild weather affect key corn and soybean areas over the next 10 days as areas of high pressure suppress rainfall. Similar weather also aids SRW wheat planting, but key HRW wheat in the central and southern Plains likely receives helpful rains in 5 to 10 days as systems slowly drift overhead. In Brazil, t-storms formed in Mato Grosso one day earlier than expected, and similar weather continues as t-storms occasionally expand outward from the Amazon rainforest. T-storms will also return to southern Brazil and parts of Argentina next week as a series of cool fronts pass while corn and sunflower planting continue.

There were no USDA daily export sales notices

First Notice day for deliveries of October futures is September 30th.

China’s Energy Crisis Roils Food Supply as Soy Crushers Halted

Soybean processing plants in a northeastern Chinese city have been ordered to shut down for at least a week, the latest fallout from Beijing’s moves to cut energy consumption and secure dwindling power supplies. Plants in the coastal metropolis of Tianjin stopped operations earlier this week and may not resume production until next month, according to people familiar with the matter. The units have a combined soy processing capacity of about 25,000 tons a day and Tianjin is one of the country’s crushing hubs. Some of the plants, including those operated by top agricultural traders Louis Dreyfus Co. and Bunge Ltd., had to suddenly stop after the government cut power supplies, the people said, asking not to be identified as the information is private. This is the first time all the plants have ever been told to shut down completely, the people said.

China’s top economic planner earlier this week warned that the industry must ensure skyrocketing energy prices don’t raise the cost of fertilizer, which is crucial for food production. Urea futures have soared, tracking a rally in coal.

Seems like fertilizer prices are going up every day right now, the acres debate will heat up as fertilizer costs outside of I states will greatly favor beans for next year.

Baltic Dry Index for ocean freight was up 2% to hit its highest level in almost 12 years.

IGC Raises Global Grains Stockpile Estimate on Corn Supply

Global grain inventories in the 2021-22 season are now seen at 599MMT, up from last month’s estimate of 589MMT, the London-based International Grains Council said in a report.

- That’s mainly due to bigger corn production
 - Inventories for the grain are now seen at 282m tons, versus 270m tons projected last month That now puts stockpiles higher than the prior season
 - Meanwhile, the world wheat inventory outlook was trimmed to 277m tons, from 278m tons, on a smaller crop

China steps up Australian wheat imports despite trade standoff

China is snapping up cargoes of Australian wheat despite a bitter trade standoff between the two countries, as crop downgrades elsewhere lead to a global shortfall in output. The buying spree comes as Australia, a key global food supplier, is expecting a second consecutive bumper harvest, while Northern Hemisphere producers have been hit by adverse weather and drought. China, the world’s top importer of agricultural products, has imposed anti-dumping duties on Australian wine and barley and slashed purchases of Australian coal and beef during the long-running dispute, but is seeking out wheat as prices hover near eight-year highs. "It is all about availability of good quality wheat supplies at the right price when it comes to food security for China, or any other country," said Phin Ziebell, an agribusiness economist at National Australia Bank in Melbourne. "Of course, there is posturing over the trade dispute, but food supplies are key."

In a further indication of the tightness of Brazilian corn, the Govt yesterday scrapped import taxes on non-Mercosur corn through Dec 31st. There are still some Brazilian Fob offers from longs who can't do much else but execute, but the interior market continues to pay much higher prices.

China's Evergrande missed an interest payment that was due on Thursday, which has brought renewed nervousness back to the markets.

Trade: US export sales of beans were towards the high end of expectations at 903kt, but the season total of 850 Mbu remains some 34% or 450 Mbu below last year. China accounts for 300 Mbu of the lag, whilst 'Unknown' adds another 100 Mbu. Meal sales were 45kt (season total 12.3 Mmt against 12.1 Mmt last year), whilst oil was just 4kt (season total 675kt and down around 50% on last year).

The Office of Management and Budget (OMB) is alerting federal agencies that barring a new appropriations bill, shutdown plans could start to be executed late next week. This means that USDA would no longer release key data like weekly export sales, inspections, crop progress/condition data, and potentially the October Crop report. The September Stocks report will be released as planned next Thursday as the USDA will still be operational.

24-Hour Precipitation Map

Chart of the Day

