



Monday, January 3, 2022

Upcoming Reports

Export Inspections – Today 10:00am
COT's – Today January 3, 2:30pm
WASDE/Stocks – January 12, 11:00am

Macro News

Dow futures are up 143 points at 36,369 and Crude Oil is down .49 cents at 74.72.

U.S. stocks looked to open near record highs on Monday, as investors built on momentum from last week into at least the first session of the new year. U.S. equities posted another year of solid gains in 2021, rising by 27% and delivering a rare third consecutive double-digit annual percentage increase. Within the S&P 500, the energy and real estate sectors outperformed, gaining more than 42% each during the year for these sectors' best annual gains on record.

Grain News



T-Storm Weather Summary: Central and northern Brazil will be normal to wet over the next 14 days as cool fronts and circulations trigger t-storms at varying times, though the exact setup on any day is unclear. Argentina will be drier to much-drier than normal (despite some t-storms through tomorrow) as persistent areas of surface-level high pressure likely leave humidities too low for organized t-storms beyond midweek, and with renewed heat after a five- to seven-day break starting Tue.-Wed. Southern Brazil and Paraguay locate between driest and wettest weather with more t-storms than recently as energies pass, but with heavy rain most likely north of Paraná as low humidities persist. 21% and 10% of Brz. soy. had under one-fourth of normal 30 and 60 days ending Sat.; 46% and 21% south. 51% of expected soy. production in Arg. had under half of normal rain last 30 days; some t-storms followed. For more information, please visit www.tstorm.net

****There were no USDA daily sales reported today.**

Conference Call Notes: Beans are sharply higher this morning on South American weather concerns. Too wet in the north and too hot and dry in the South. Beans are back to within 25 cents of last week's high. Corn and wheat are following beans higher as well. Early reports of some minor cold weather damage to wheat. Winter weather in the US will disrupt transportation but end users are well positioned coming into the new year. Ethanol margins are well off their highs but continue to call for strong run rates. January 12th report might limit major moves from current levels given funds have defended their long corn position for several months but hard to see them adding much more to it ahead of the report.

China's markets are closed for Holiday. Malaysian palm oil prices overnight were up 160 ringgit (+3.41%) at 4857. There were changes in registrations (329 Soybeans). Registration total: 1,900 SRW Wheat contracts; 39 Oats; 50 Corn; 573 Soybeans; 143 Soyoil; 0 Soymeal; 92 HRW Wheat.

CROP SURVEY: U.S. Soybean Crush and Corn for Ethanol

- Soybean crush seen at 191.8m bu in Nov., a 0.4% rise from a year ago
- Crude and once-refined soybean-oil reserves at end of November seen at 2.402b lbs, up from 2.117b
- Corn used in ethanol production seen up 5% y/y to 453.1m bu

India's wheat exports rise to \$872 mln in Apr-Oct period

India's wheat exports jumped to USD 872 million during April-October period in the current fiscal on account of healthy demand, with Bangladesh emerging as the top destination, the commerce ministry said on Friday. In volume terms, wheat exports during the said period rose by more than 527 per cent to 3.2 Million Tonnes (MT) from 0.51 MT in the year-ago period. "India's wheat exports in the current fiscal (April – October) rose by 546 per cent to USD 872 million from USD 135 million reported during the same period of the previous fiscal," the ministry said. In the current fiscal, wheat exports are expected to achieve an all-time record high in volume terms, it added.

Ukraine Places Cap on Bread-Price Increases to Tame Inflation

Ukraine's government limited price increases for wheat loaves and rye-wheat bread to stabilize prices for staples, according to a decree by the Cabinet of Ministers. Producers of such bread are prohibited from setting the wholesale-price margin above 10% Government also included sunflower oil in list of staples, saying price increases should be announced in advance

China Has Made Great Progress in GMO Soybean, Corn Projects, Ministry Official Says

(Yicai Global) Dec. 31 -- Pilot projects for genetically modified soybeans and corn have achieved remarkable results, marking a historic step forward in the industrialization of these GMO foods in China, according to an agriculture ministry official. The results show that GMO soybeans and corn have excellent resistance to insects and herbicides, and have significant yield and ecological effects, Liu Peilei, director of the GMO bio-safety office of the ministry's science, technology and education department, said in Beijing yesterday. A supporting high-yield, efficient, green and simplified production model also has gradually taken shape, he said. The GMO soybeans only need one spray of herbicide to reach more than 95 percent of weeding, which can reduce weeding costs by 50 percent and increase the yield by 12 percent, Liu revealed.

China's Heilongjiang to expand soybean plantation area in 2022

Northeast China's Heilongjiang Province will increase its soybean planting area by 10 million mu (about 666,667 hectares) in 2022, local authorities said. The soybean yield is expected to increase by 1.3 billion kg, according to the provincial department of agriculture and rural affairs. The decision aims to optimize the planting structure in the province, and enhance the supply guarantee ability of important agricultural products, the department said. Heilongjiang is the major soybean production base in China, with the planting area and output remaining the first in the country.

Bulgaria culls 39,000 chickens after bird flu outbreak

Bulgarian veterinary authorities started culling on Sunday over 39,000 chickens in the southern village of Krivo Pole after a bird flu outbreak was confirmed at two industrial farms there, the governor of Haskovo region said. Minko Angelov said the two farms had been hit by the highly pathogenic avian influenza type A. This is the second outbreak in the village since April, when over 40,000 hens were culled.

WEATHER SUMMARIES

WORLD CORN PROSPECTS: Favorable conditions for filling corn in central and northern Brazil, poor conditions in the south despite some showers. Dryness is concerning for developing to reproductive corn in Argentina, despite isolated showers through early week. Showers benefiting corn planting and establishment in South Africa.

WORLD WHEAT PROSPECTS: Periods of precipitation in the Pacific Northwest favoring soil moisture and drought reduction. Dryness in the Southwestern Plains continuing to stress winter wheat. Favorable conditions for winter wheat establishment in southern Europe. Crops dormant mostly in good conditions across the north and east. Spain may be drier than optimal. Crop is dormant in Ukraine and western Russia in poor condition. Isolated showers not overly concerning for remaining harvest of winter wheat in Australia until late week. Winter wheat dormant in favorable condition in China. Warm and dry conditions will stress vegetative wheat in North Africa for the next week.

24-Hour Precipitation Map

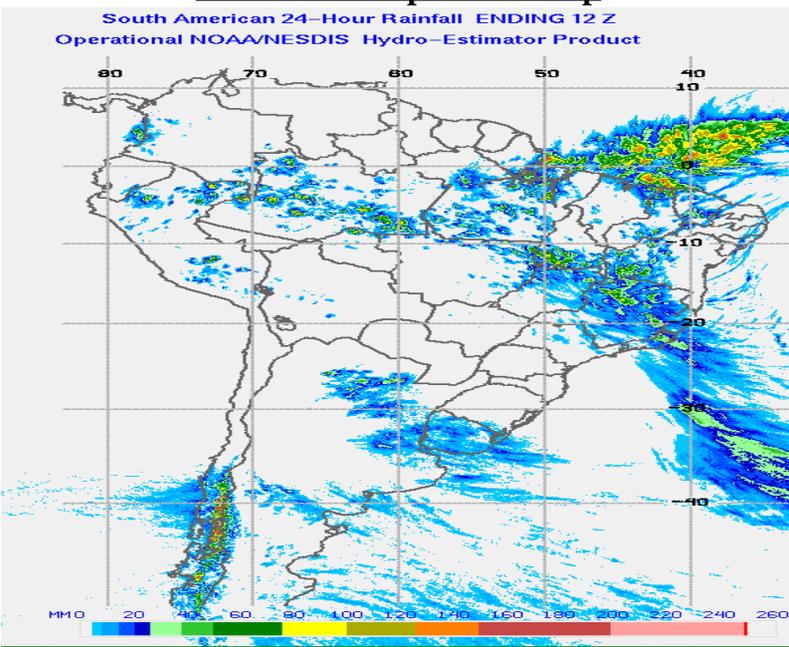


Chart of the Day

