

Morning Grain Comments

Tuesday, May 4th, 2021

CO-OP
ELEVATOR CO.

CURRENT TREND: Higher

Demand remains strong, supply concerns remain
With Brazil forecasts dry, production estimates falling

Trivia: The United States began construction on the Panama Canal, on this day of what year? (within ten either way)

Soybeans

Soybeans up this morning. Planting is off to a quick start, with 24% of the crop planted, vs a five year average of 11%. With corn and soys both ahead of the average planting pace, it is difficult to see if there has been any corn vs soybean acreage shift. Generally weather delays at planting can cause a shift to soybeans, that weather shift seems unlikely here. New crop corn and bean prices are both attractive and profitable, corn with perhaps an edge in that department. The new crop November contract has closed above 13.40 four times, and closed about 13.50 only once. Currently that contract is trading 13.54. A close above that would be a strong technical indicator. This level is also at or very near the high in the "range bound" price action we have been seeing. This is a good place to make some sales, at this level of "bullishness" this is the high. We can get news or something that will take the price to better levels, but this is a great place to get some new crop 2021 risk off the table.

Corn

Corn is up this morning. US Corn planting is running ahead of the normal pace. 46% of the crop planted vs a five year average of 36%. Weather in Brazil continues to complicate corn production. Many now suggest Brazil's corn production could dip under 100mmts. China demand remains strong, with Brazil's production in doubt, the US crop has little room for error.

Wheat

Wheat up a few cents this morning. Wheat conditions now at 48% good/excellent, vs 55% last year. Spring wheat planting ahead of the average pace, it will be interesting to follow spring wheat conditions as much of the spring wheat is in areas that are under drought conditions.



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If I don't tweet it, did it really happen? Second day on [#plant21](#) for row crops!

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Trivia Answer: 1904

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