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Corn

Corn caught a bid off South American weather today and bullishness in the grain sector as we closed up .135 at 5.5225 for March futures. In Argentina, areas of high pressure in the western Atlantic leave humidity's too low for much rain over the next 10 to 14 days, despite some showers and t-storms around Friday and Sun.-Mon. before another dry period unfolds. There were not flash sales today as China is on holiday until Friday. USDA corn export inspections this week were off a little at 1,322,412MT vs expectations of 1.0-1.4MMT and 1,576,663MT last week. The pace to China continues to be slow as they only took 68,960MT out of the gulf this week and 0 off the PNW. Farmer selling remains slow as most are looking for higher prices. Basis was mixed today domestically as some were pushing to get trucks while others were slowing down or completely down due to weather and natural gas shortages. Cordonnier yesterday left his 20/21 Brazil corn estimate unchanged at 105.0MMT, and raised his 20/21 Argentina corn estimate 1.0MMT this week to 45.5MMT. According to IMEA Brazil Safrinha corn was 21% planted vs 63% year ago and 47% average as it is at the slowest pace in more than 5 years. The USDA Ag Outlook Forum is this Thursday and Friday and they will give us a their first look at acreage. They released their 10 year baseline projections today showing 90 million acres of corn for this year, but those projections are based off of October 2020 input.

Beans

Beans firmer on the day (12 ¾ c) but settled 10c off lows. Low export inspections, weak spreads and Brazil harvest had beans weak vs the other commodities. SH/SK finally trades to a carry (1c) with delivery calculations still suggesting the spread should weaken further. Export inspections were 29.7 mil bu which was down from last week's marketing year highs. China was the main destination with 14.9 mil bu. AgRural suggested bean harvest improved 5% to 9% on the week which is still behind the normal of 20%. Progress will have to pick up as average harvest progress is 45% by the end of the month. Mato Grosso harvest is finally going as progress doubled from last week up to 22%. NOPA crush was a record 184.7 mil bu, slightly higher than the 183.1 mil bu expected. Oil stocks were high at 1.799 bill vs the 1.763 expected. Focus at the end of the week will be the USDA Ag Outlook Forum. Average guess for acres is 89.8 mil which is up from last year's 83.1 mil.

Wheat

The wheat complex was stronger on the strength of the cold snap hitting the Midwest. KC wheat led the complex today, finishing 20 ¾ c firmer. CGO was also 20 ¾ c firmer with MPLS up 15 1/4c. Trading houses suggested damage was done if the wheat wasn't covered by snow but most weather gurus downplayed the risk. Export inspections were 14.4 mil bu which were four-week lows with Japan (14.9 mil bu) was the largest destination. Year to day loadings were 639 mil bu vs 651 mil bu last year. Plenty of tenders around with Japan, Philippines, and Algeria around. Algeria is expected to be French wheat. The trade is anticipating 45.3 mil acres in the Outlook meeting on Thursday.

CASH BASIS BIDS	Nearby	March
Corn Cif Nola	78+H	73+H
Truck Hennepin	15+H	14+H
Truck St Louis	47+H	41+H
Iowa Interior UP	10-H	8-H
Columbus CSX	8+H	10+H
Fort Wayne NS	1+H	7+H
Dlvd Hereford	100+H	95+H
Dlvd PNW	110+H	115+H
KC RAIL	25+H	25+H
Nebraska Grp 3	4-H	4-H
Dlvd Decatur	15+K	21+K
Wheat Cif Nola	110+H	110+H
Beans Cif Nola	72+H	74+H
Truck Hennepin	3+H	11+H
Truck St Louis	35+H	37+H
Dlvd Decatur	15+H	18+H
Dlvd Des Moines	20-H	15-H
IL R Barge Frt.	420	390
BNSF Shuttle Frt.	\$300	\$150