

AGW DTN Closing Grain Comments

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Row Crop Prices Edge Higher Monday, Defy Harvest Pressure

December corn closed up 4 cents and November soybeans ended up 1 1/2 cents Monday, able to ignore harvest pressure for a day and a 2.10-cent drop in October soybean oil. December contracts of U.S. winter wheat found enough support to also close higher.

Todd Hultman

DTN Lead Analyst

GENERAL COMMENTS:

December corn closed up 4 cents and July corn was up 3 cents. November soybeans closed up 1 1/2 cents and July soybeans were up 3 1/2 cents. December KC wheat closed up 3 1/4 cents, December Chicago wheat was up 9 1/2 cents and December Minneapolis wheat was down 1 1/2 cents.

The U.S. Dollar Index is up 0.33 at 105.92. The Dow Jones Industrial Average is down 39.05 points at 33,924.79. December gold is down \$10.20 at \$1,935.40, December silver is down \$0.49 at \$23.36 and December copper is down \$0.0260. November crude oil is down \$0.27 at \$89.76, November ultra-low sulfur diesel is down \$0.0386, November RBOB gasoline is down \$0.0070 and November natural gas is up \$0.013.

CORN:

December corn closed up 4 cents at \$4.81 1/4 Monday with a mostly dry forecast, expected to help harvest progress this week. Rain fell from Montana to Wisconsin over the weekend and from southwestern Missouri to eastern Texas, but the coverage area was not as broad as expected. Parts of southern Minnesota received several inches. More rain is expected from Wisconsin to Ohio and Kentucky the next few days, but the rest of the Corn Belt should be dry enough to push ahead with harvest.

In Brazil, the safrinha corn harvest is 97% complete and would probably be finished, if not for excess rain in Rio Grande do Sul. Planting the first corn crop for 2024 has begun in southern Brazil, while planting efforts in central Brazil are waiting for more rain. There is a chance for light to moderate amounts in central Brazil later this week, but it is difficult to tell if the rainy season is starting just yet. According to the International Grains Council, Argentina's corn is 5% planted with conditions benefitting from recent rains.

Earlier Monday, USDA said 26.0 million bushels (mb) of corn were inspected last week, putting total inspections in early 2023-24 up 16% from a year ago. USDA also reported 65.4 mb of corn sold to Mexico, 41.3 mb of which was for 2023-24 and 24.1 mb for 2024-25. It was the third largest daily export sale to Mexico on record and the eleventh largest sale to any country, a much-needed

boost if corn is going to have a chance at the 23% increase in exports USDA is estimating for 2023-24.

Friday's CFTC data showed an increase in corn's commercial net longs to 134,756 as of September 19 as specs increased net shorts ahead of harvest. With stiff export competition from Brazil and the U.S. harvest starting to get more active, the trend for December corn remains down, facing prospects for higher available supplies throughout 2023-24. DTN's National Corn Index was priced at \$4.54 Friday evening, 24 cents below the December futures.

SOYBEANS:

November soybeans spent most of the day trading lower, before they ended up 1 1/2 cents at \$12.97 3/4 Monday, saved from the lowest close in nearly three months. Harvest is starting to pick up after a rainy weekend in the northern and western Midwest. Anecdotal reports for soybean yields sound favorable in the eastern Midwest, but don't have a lot of representation yet in the drier West. Soybean prices also received bearish influence from October soybean oil falling 2.10 cents to a new two-month low of 58.75 cents. 2023 D4 and D6 RIN prices have both fallen sharply in September and are trading near \$1.00 on Monday. The most likely explanation is that RIN generation is approaching the mandated levels for renewable fuels in 2023 and, along with that, we are seeing a cooling of demand for soybean oil. Based on October futures prices, the value of crushed soybeans has dropped nearly a dollar in September, but because soybean prices are also lower, the premium over the November contract remains historically high, at \$3.07 a bushel on Monday's close.

Earlier Monday, USDA said 17.7 mb of soybeans were inspected last week, putting total inspections in early 2023-24 up 7% from a year ago. The drawback, however, is that total soybean export commitments are down 34% from a year ago, so more sales will be needed to keep up with the early inspections pace. November soybeans on China's Dalian exchange were up 0.7% Monday, near its lowest price in over a month and at the U.S. equivalent of \$17.60 a bushel. Friday's CFTC data showed noncommercial holders holding 62,690 net longs as of September 19, down from 85,217 the previous week. With a smaller U.S. soybean crop expected this fall and demand staying active, the price trend for November soybeans remains up. DTN's National Soybean Index was priced at \$12.39 Friday evening, 57 cents below the November futures.

WHEAT:

December KC wheat traded lower earlier Monday, but ended up 3 1/4 cents at \$7.14 1/2, encouraged by a 1.9% gain in December French milling wheat and finding support near \$7.00. According to Reuters and Ukraine's Ag Ministry, Ukraine's grain exports totaled 1.57 mmt from September 1 to 24, down from 3.21 mmt in the same period last year. Without a Black Sea deal with Russia, Ukraine continues to face difficult conditions, trying to move grain, while under

attack. According to AP, Russia attacked the port of Odesa again Monday, damaging port infrastructure and a grain silo. Over the weekend, a ship carrying 17,600 metric tons of wheat that left Ukraine's port of Chornomorsk Friday safely reached Turkey on Sunday.

Meanwhile, the International Grains Council reported Russian sources as saying 83.8 mmt of wheat has been harvested so far, on 79% of total area, pointing to a larger-than-expected harvest, if true.

Here in the U.S., moderate to heavy rains fell across the northwestern Plains and likely disrupted any remaining spring wheat harvest, last pegged at 93% finished a week ago. The southwestern Plains received light to moderate rains the past seven days, including some over the weekend. USDA will update winter wheat planting progress later Monday afternoon, last seen at 15% planted. The seven-day forecast is mostly dry for the western Plains but expects some moderate rain chances in the SRW wheat areas of the eastern Midwest. Friday's CFTC data showed commercials remain net long in all three U.S. wheats as of September 19. Here in late September, the trend for December contracts of all three U.S. wheats remain down with prices at fundamentally cheap levels. DTN's National HRW index closed at \$6.42 Friday. DTN's National HRS index closed at \$6.98.

Todd Hultman can be reached at Todd.Hultman@dtn.com

Follow him on X, formerly Twitter, @ToddHultman1

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