

GRAIN COMMENTARY

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Futures losses have slowed down compared relative to past weeks. Corn lost -10 ½ cents, Soybeans was off 13, and wheat was down 7.

Although futures have been in a steady decline, us corn prices have managed to stay competitive on the world market. Continued shortages in Brazil and significantly higher prices in Argentina have helped this. The only real competitive country is the Ukraine, but even they are a few dollars per metric ton higher than the US. Ukraine's summer season is proving more problematic for corn growth as dry conditions are stressing about ⅓ of the country's corn crop.

Concerns of moisture stress are on the horizon for parts of the grain belt. According to the Commodity Weather Group, scattered showers may occur in mainly southern Nebraska/Kansas/Missouri/southwest Iowa in the next five days, with only patchy activity elsewhere in the Midwest. However, widespread rains are expected to favor the central/northwest Midwest in the 6 to 10 day and will keep most of the driest spots in the Midwest limited to Indiana/Ohio/Michigan (15% of belt).

The CWG also stated there may be a few showers that may scatter through the southern Great Lakes in the 11 to 15 day, but some moisture stress will likely persist. Elsewhere, the favorable moisture and lack of extreme heat will aid corn/soy yields. Mid 90s are possible in the southwest Midwest next Wednesday to Friday, but highs otherwise remain in the 80s/low 90s in the next two weeks.

This week, South Korea suspended clearance of US wheat for food use and stepped up quarantine measures for US milling and feed wheat shipments in the wake of the US genetically modified wheat discovery last week. South Korea has not detected any GM wheat from current imports.