

March 12, 2024

Weather

- East-central Argentina, Uruguay and Rio Grande do Sul Brazil will experience flooding rain late this week and especially next week raising the potential crop and property damage
 - Much of Mercosur rice production in these nations will be at risk of damage because of rain at harvest time
 - Other crops (including corn and soybeans) may be negatively impacted, although many will manage through the wet weather
- Most of Argentina will get plenty of rain in the next ten days with southern Buenos Aires driest
- U.S. Delta and southeastern states will see a new wave of heavy rain this weekend with another 1.50 to more than 4.00 inches occurring in mostly the same region that received heavy rain this past weekend
 - Additional rain is advertised for the second half of next week
- GFS model runs removed West Texas rainfall, but ECMWF is still promoting showers this weekend; Confidence is low that significant rain will fall
- GFS was wetter in southernmost and westernmost Canada Prairies and the far northern U.S. Plains next week, though confidence is low; the 06z model run reduced some of the potential precipitation
- Central North America cooling is still advertised for next week and especially in the following weekend with Canada and the northern U.S. Plains most anomalously cold in the last week of March
- Indonesia's recent bout of heavier rainfall is abating from west to east
- West-central Africa will see a favorable mix of rain and sunshine over the next couple of weeks supporting coffee, cocoa, rice and sugarcane development
- Far eastern Mexico will turn wetter briefly next week while all other areas continue dry
- Colombia, Panama and southern Costa Rica will slowly trend wetter this next weekend
- Venezuela and northern Colombia dryness will continue for a while longer
- South Africa rainfall will continue restricted in the coming week to ten days, although days 11-15 are wetter

News:

- Dr. Cordonnier left his Brazilian soybean and corn production estimates at 145 MMT and 112 MMT, respectively, with a neutral to lower bias toward both crops. Cordonnier left his Argentine crop estimates at 50 MMT for soybeans and 54 MMT for corn, with a neutral bias toward both.
- Ukraine grain trade union on Tuesday projected the country's grain and oilseed harvest in 2024 could shrink to around 76.0 mln mt down from last year's 82.6 mln mt. This year's production figure includes 26.3 mln mt of corn, 20.0 mln mt of wheat and 13.7 mln mt of sunflowers. The lower expected harvest is attributed to lower acres, the lower acres are in turn due to higher export costs and poor global prices.
- Chinese customs announced they have banned import of Albanian pigs, boars, and related pork products due to African Swine Fever outbreak.
- Tyson Foods will permanently close a pork plant in Perry, Iowa, on June 28, citing a need to optimize operational efficiency to better serve customers as the reason for the closure. The plant slaughters about 9,000 hogs per day, a little less than 2% of U.S. production.
- The Biden administration will now require meat, poultry, and eggs labeled as U.S. products to be required to come from animals born, raised, slaughtered and processed here in the US. Analysts say the move is a win for US ranchers. Ranchers in the past say they've been harmed by companies that labeled animals raised in foreign countries then final processed in the US as a "Product of the USA".
- India's state-run Food Corporation estimated government held Wheat stock-piles have dropped to 9.7 mln mt, down from the 11.7 mln mt in March 2023. The March 2024 figure is the lowest level stocks have been since 2017. Two poor consecutive crops have prompted the government to sell record volumes of wheat in a bid to boost supplies and temper price rises.
- Weekly Winter Wheat Conditions:
 - Kansas Winter Wheat conditions for week ending Mar 10, 13% very poor to poor, 34% fair, 45% good, 8% excellent
 - Oklahoma Winter Wheat conditions for week ending Mar 10, 7% very poor to poor, 28% fair, 56% good, 9% excellent
 - Oklahoma Winter Wheat jointing crop progress latest week 7%, last week 0%, year ago week 9%
 - Texas Winter Wheat conditions for week ending Mar 10, 26% very poor to poor, 30% fair, 40% good, 4% excellent
 - Texas Winter Wheat Headed crop progress latest week 10%, last week 9%, year ago week 20%
- **Brazil CONAB Monthly Crop Report Recap:**

- 23/24 total Corn production 112.753 mln mt; prior report 113.69 mln mt
- 23/24 Corn exports mln mt; prior report 32.00 mln mt
- 23/24 1st Season Corn production: 23.413 mln mt; prior report 23.607 mln mt
- 23/24 2nd Season Corn production: 87.348 mln mt; prior report 88.095 mln mt
- 23/24 Total Corn acres: 20.361 mln ha; prior report 20.444 mln ha
- 23/24 1st Season Corn acres: 3.969 mln ha; prior report 3.932 mln ha
- 23/24 2nd Season Corn acres: 15.759 mln ha; prior report 15.879 mln ha
- 23/24 Corn Yields are forecast: 5.538 mt/hectare; prior report 5.561 mt/ha
- 23/24 Soybean production: 146.858 mln mt; prior report 149.403 mln mt
- 23/24 Soybean exports: 92.329 mln mt; prior report 94.163 mln mt
- 23/24 Soybean acres: 45.177 mln ha; prior report 45.088 mln ha
- 23/24 Soybean ending stockpiles: 2.753 mln mt; prior report 2.104 mln mt
- 23/24 Soybean Yields are forecast: 3.251 mt/hectare; prior report 3.314 mt/ha
- 2024 Wheat production: 9.588 mln mt; prior report 10.199 mln mt
- 2024 Wheat Area: 3.264 mln hectares, prior report 3.477 mln ha
- 2024 Wheat Yields: 2.937 mt/ha, prior report 2.934 mt/ha
- 2024 Wheat Imports: NA mln mt; prior report NA mln mt
- 23/24 Cotton Lint production: 3.560 mln mt; prior rpt 3.288 mln mt
- Cotton planted acres: 1.935 mln hectares; prior report 1.877 mln hectares
- Cotton exports: 2.480 mln mt; prior report 2.480 mln mt

Technically Speaking:

Price action got better yesterday and overnight with more technical indicators turning more positive.

Market Fundamentals:

Yesterday's Trades: No new trades.

ADVICE: No new advice---a trading affair at best in grains with traders reluctant to press short side too far with upside thought to be limited as well. Meats slanted negatively---hogs concerning. See news section.

COMMENTS:

- Brazilians cut production for corn and beans, 3mmt for beans and .9 MMT for corn to fresh production lows. They offset Brazil exports and crush demand, raising stocks to use in soybeans. Corn stocks fell slightly with the .9 MMT production cut.
- Brazil bean export prices have narrowed substantially in recent weeks vs the USA, but the spread remains wide.
 - Interior basis in US widens as futures rise.
- Weather increasingly focusing on a little drier for Brazil increasing need for a good April moisture wise, but short term some moisture helping. Interesting the Rice regions of Brazil getting a lot of rains that may affect quality of rice.
- Argentina looks good to ok short term
- US has a LOT of warnings of increased fires due to wind and warm weather in 70's.
- Profit squeeze starting to increase bank concerns--- 20,000 acre N IL farmer got plugged pulled
- 430 acre farm auction 3 miles from me in N IL today so we'll see how deep pockets are.
- Media analysts weary and advising selling -kinda like deer in the headlights not knowing what is happening other than short covering as an excuse

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	3/12/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	455	445 1/2	453 3/4	463 3/4	443 3/4	446	
CZ24	473 3/4	466 1/2	472 3/4	480 1/2	465	465 1/2	
SN24	1199 3/4	1186	1191 3/4	1206	1177 1/2	1175 3/4	
SX24	1177	1166 1/4	1172 3/4	1184	1161 1/2	1141 3/4	
SMN24	345.6	339.4	340.7	347.1	334.4	341.6	
BON24	47.36	46.62	47.12	48.36	45.88		46.39
WN24	563 1/4	537 3/4	561	587	535	551 1/2	
KWN24	590 1/4	560 3/4	587 3/4	617 3/4	557 3/4	561	
MVN24	677 1/4	656 3/4	673 1/2	694 1/2	652 1/2	658 3/4	
LCJ24	188.375	186.975	187.600	189.500	185.700	187.750	
LCV24	185.500	184.625	185.275	186.350	184.200	186.675	
LHJ24	84.925	83.150	83.275	85.250	81.300		83.175
LHV24	86.775	86.000	86.300	87.275	85.325		82.825
FCJ24	254.000	252.650	253.100	254.650	251.550		253.750
CTK24	97.53	94.55	95.060	98.09	92.03	98.63	
CTN24	96.46	93.54	94.340	97.46	91.22	97.28	
SBK24	21.99	21.13	21.950	22.86	21.04	21.55	
GCJ24	2195.5	2180.9	2189.20	2204.30	2174.10	2017.7	
NRK24	18.00	17.82	17.83	18.04	17.62	18.550	
DJH24	38822.00	38499.00	38797	39140	38454		38783.00
CLJ24	78.47	76.79	77.93	79.81	76.05	79.80	
NGJ24	1.841	1.746	1.759	1.869	1.649		1.852
DXH24	102.92	102.610	102.825	103.33	102.32		104.080
USM24	122 3/32	121 8/32	121 13/32	122 16/32	120 10/32	118 24/32	

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