

10/1/2024

Futures Price Changes

Corn down 1 (Dec) @ 4.24

Corn unchanged (Mar) @ 4.41

Soybeans down 6 (Nov) @ 10.51

Soybeans down 6 (Jan) @ 10.69

Wheat up 2 (Dec) @ 5.86

Wheat up 2 (Jul 25) @ 6.23



Perdue Grains Commentary



Good morning. Futures are backing off a bit this morning, following yesterday's moderately strong performance. A USDA inspired bounce yesterday took the December contract to its highest level since June 28th, which is an amazing feat given the date on the calendar. Uncle Sam pegged the final 2024 ending stocks number at **1.76 billion bushels**, which was 84 million under the average trade guess. It was also 52 million under the USDA's estimate from earlier this month and 412 million under the projection back in early March. The better-than-expected feeding and export numbers were the star performers this summer and neither are showing many signs of backing off any time soon. Yesterday's export shipment number of **44.9 million bushels** lent some additional support, as it was nearly twice as large as last year's corresponding number.

The challenge for futures now will be holding up through the hedge pressure of a very large harvest. The USDA pegged the national harvested number at 21%, which is three points above the five-year average. Harvest will be going full-bore out west for the next

two weeks, while we'll be getting off to a slower start in the much-wetter eastern Belt. The weather forecast for Brazil continues to trend wetter but almost all of that water is projected in the 8-15 day timeframe. As long as it stays in that time-slot, the bears might find it difficult to get back the upper hand.



Soybean futures failed to follow corn to the upside yesterday, as the wetter Brazilian forecast couldn't be offset by the USDA. The ending stocks number of **342 million bushels** did come in under the average trade guess by 9 million bushels but it was 2 million above the USDA's number from earlier this month. Export shipments of **24.8 million bushels** were a multi-month high but seasonal in nature. The next six weeks are going to tell a very large story in regard to our marketing year potential for exports, as doubts remain over whether China's struggling economy can support an increase in feed usage. Ahead of that concern however, is the ongoing drought in the northern Brazilian states of Mato Grosso and Goias. That area is now projected to receive their best rainfall totals of the past several months but again, that water is sitting out there in the 8-15 day period. Until we see it in the 4-7 day timeframe, traders will likely remain reluctant to push futures much lower. The longshoreman strike began at midnight but it isn't expected to have an overly large impact on futures given that most soybean exports leave from our Gulf and Pacific Northwest facilities. It will likely have a negative basis impact for our east coast producers, however.



Wheat futures are following the lead of corn and soybeans this morning, with the July contract down 3 cents to **\$6.18**. The USDA's September 1 stocks number of **1.986 billion bushels** came in 15 million above the average trade guess, so no excitement was created there. Export shipments of **19.7 million bushels** were respectable but failed to move the needle much. Wheat futures might be able to plow their own path in the coming days and weeks but I suspect much of the direction will come from what's happening with corn futures. Concerns remain on the international scene over the continuing dry pattern in the Black Sea region, which should remain a supportive feature.



The equity markets finished the day with some light gains yesterday, which should be considered a success following the strong gains seen during September. Both the S&P and Dow are sitting at or near their record highs, while the NASDAQ still has some work to get there anytime soon. In general, the economy is hanging together nicely while inflation continues to be tamed. We also have to be impressed with how things have hung together during a highly contentious presidential campaign season, especially given that neither candidate has a solid plan for bringing down the price of consumer goods or taming the national budget deficit.



The energy markets are getting smacked around a bit this morning, with the nearby crude contract currently down \$1.16 to **\$67.01**. Gasoline futures are down 4 cents to **\$1.90**, while diesel is also down 4 to **\$2.12**. I continue to be somewhat surprised that this kind of weakness has unfolded, given the ongoing and expanding Middle Eastern war. There is certainly a war premium still in futures, which is telling us that the world supply of oil remains at a surplus level.



The national radar map is almost completely clear this morning, which is now a very welcomed visual. We've spent the last two months hoping for some additional rains but that was brought to a stunning close by Hurricane Helene last week. While we could still use some rain in hard red country, it's time for us to get after our corn and soybean harvest in a major way. The seven-day projected map is totally clear from California to Ohio, while the extended maps are showing a warm and dry pattern for almost all

of the Lower 48. Our prayers continue to go out for all those that were impacted by the destruction of Hurricane Helene. The photos and videos of that disaster are heartbreaking.

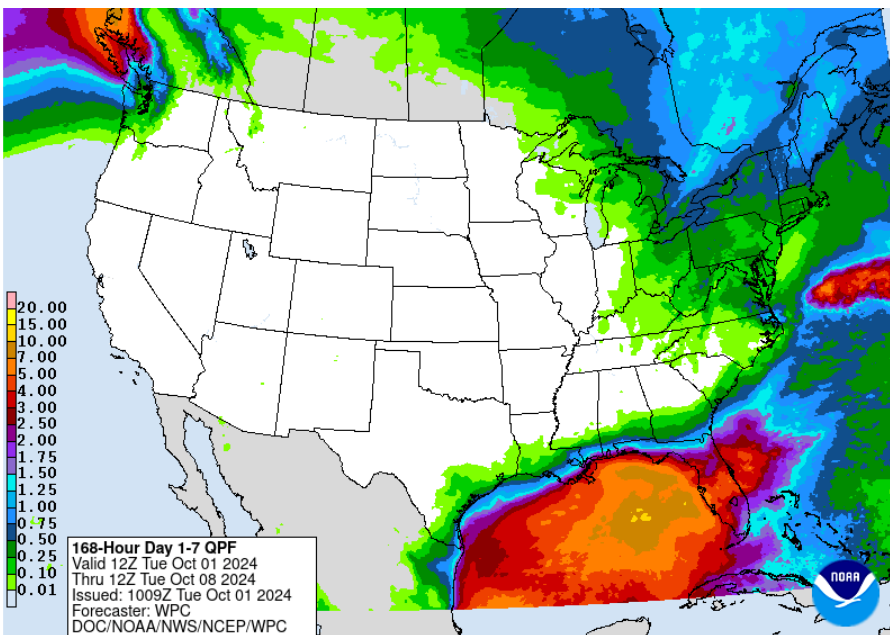
That's all for this morning. I hope your day is a safe and productive one.

John

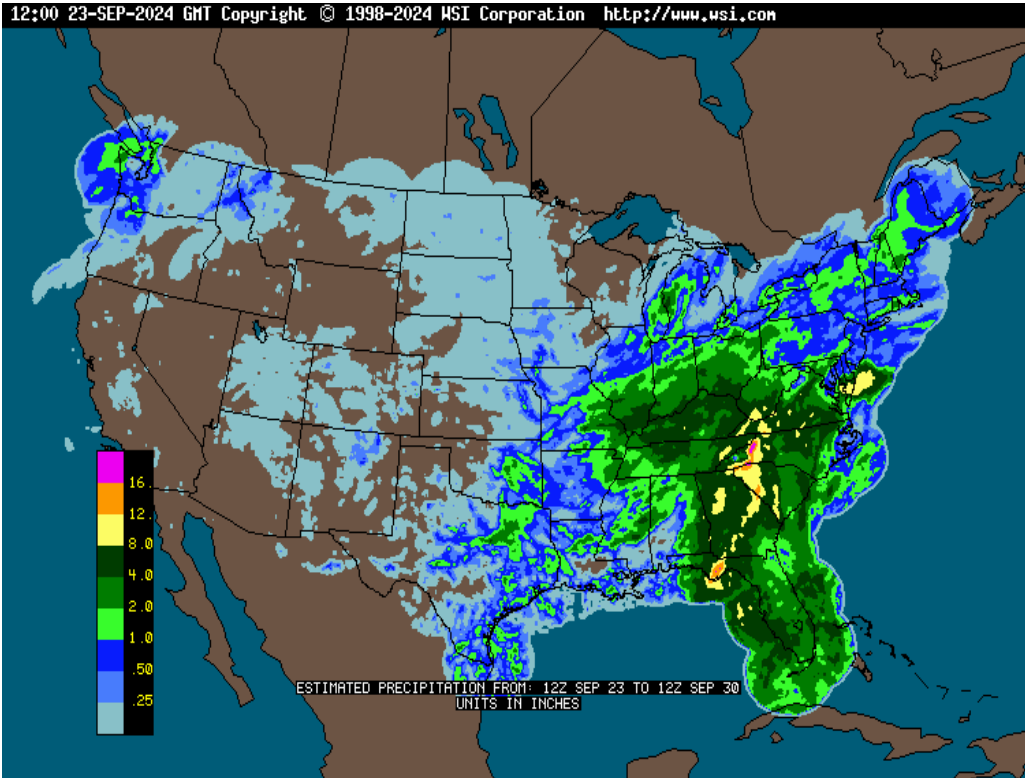
If you're pulling these comments up on a laptop or desktop computer, you'll need to right click on the little window next to "Morning Coffee Comments" at the top to get all the graphics and maps to download.

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Seven Day Projected



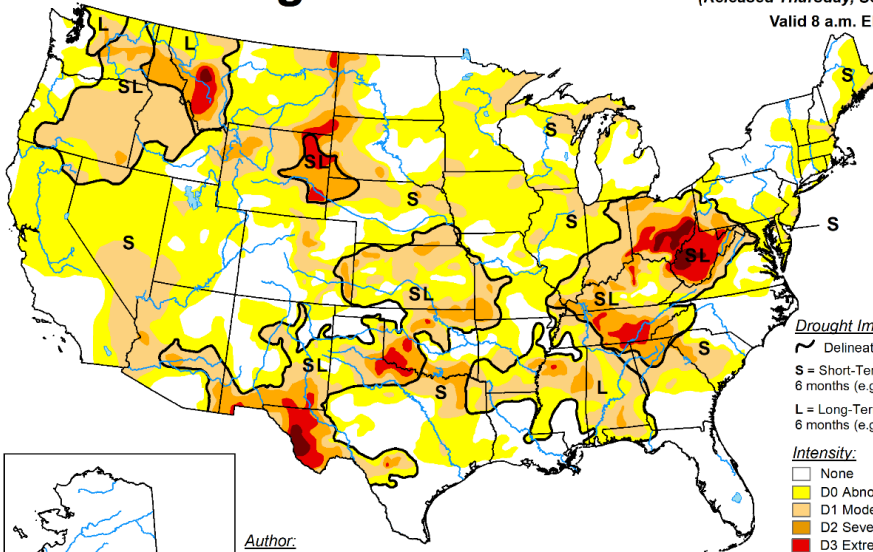
Past Seven Days Precipitation (does not include the past 12 hours).



U.S. Drought Monitor

September 24, 2024
(Released Thursday, Sep. 26, 2024)

Valid 8 a.m. EDT



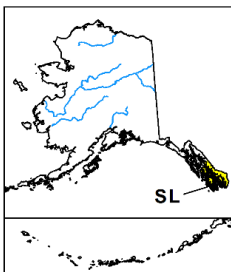
Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:
Brad Rippey
U.S. Department of Agriculture



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



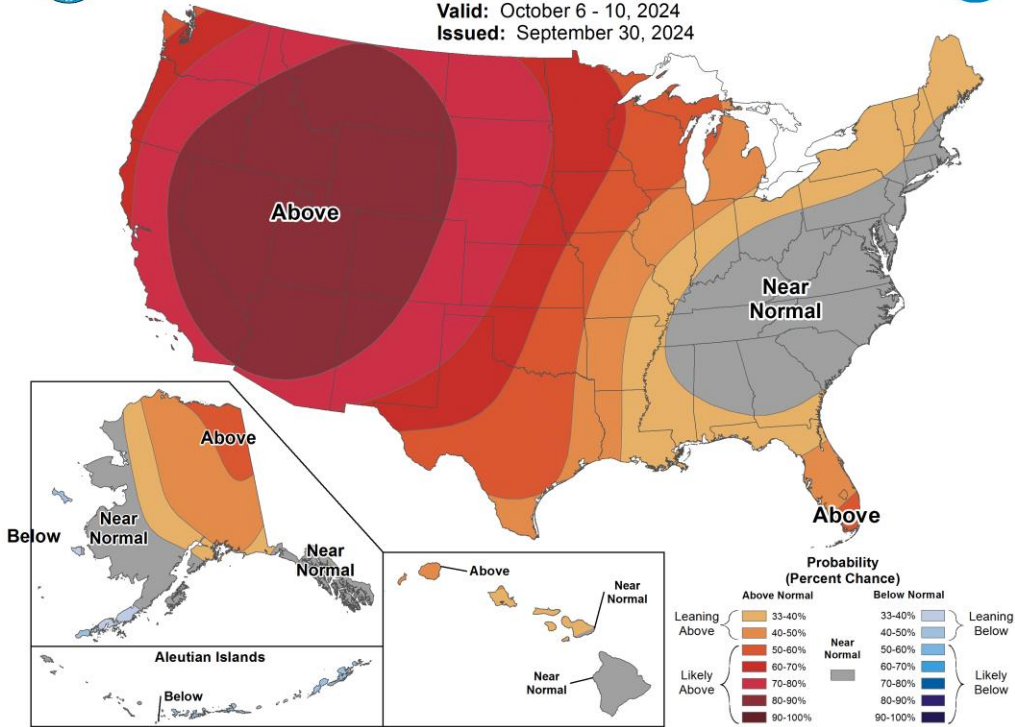
droughtmonitor.unl.edu



6-10 Day Temperature Outlook



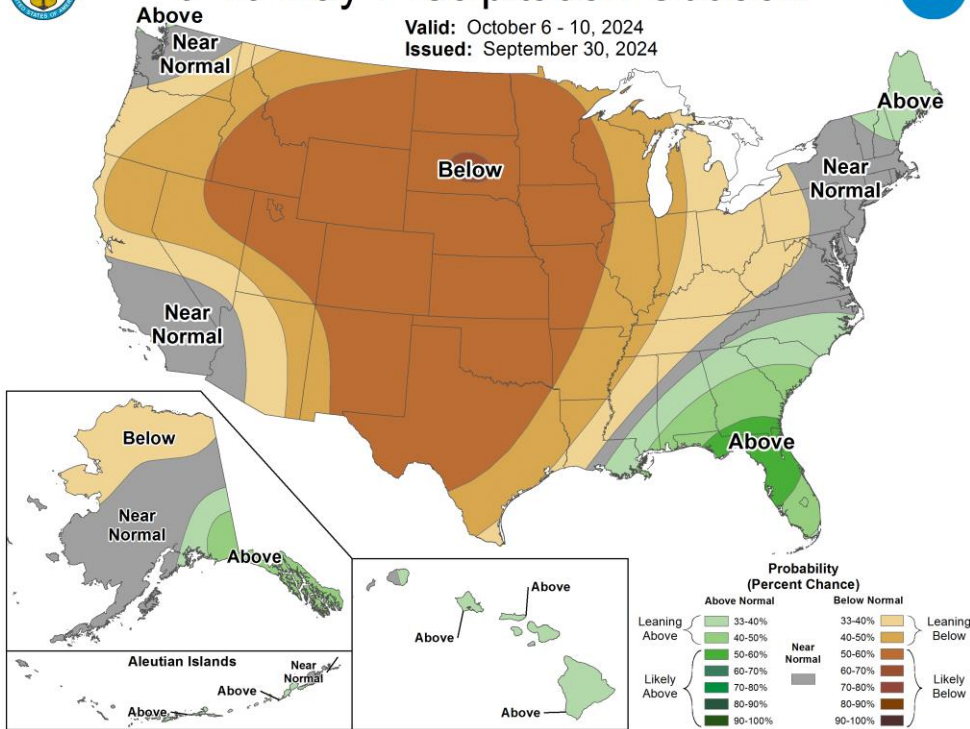
Valid: October 6 - 10, 2024
Issued: September 30, 2024



6-10 Day Precipitation Outlook



Valid: October 6 - 10, 2024
Issued: September 30, 2024

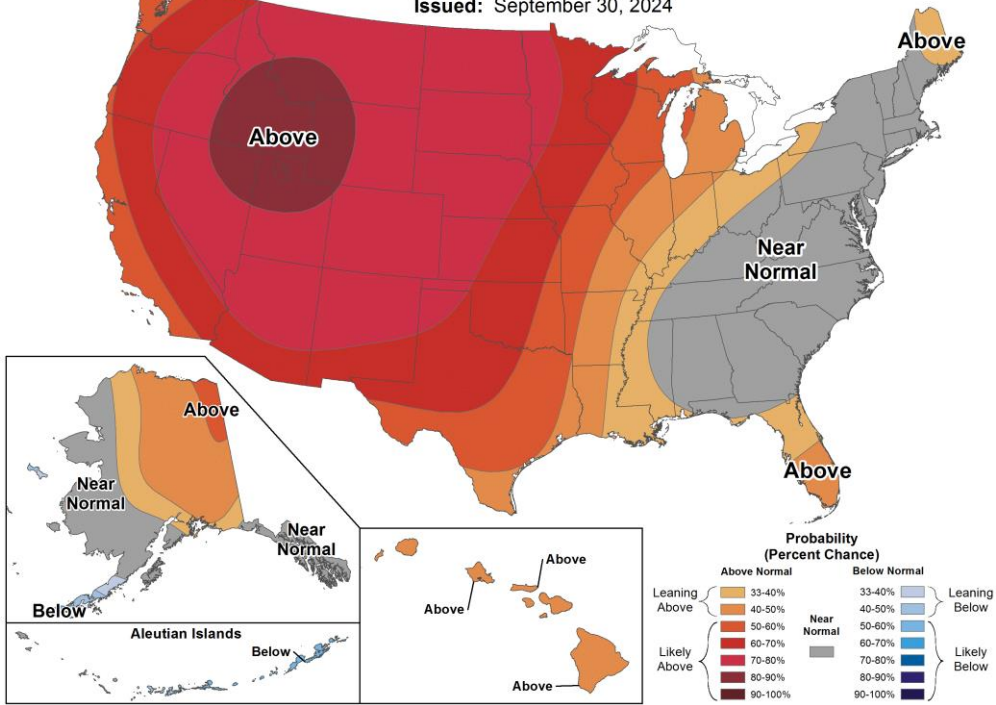




8-14 Day Temperature Outlook



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8-14 Day Precipitation Outlook



Valid: October 8 - 14, 2024
Issued: September 30, 2024

