



### Weather and Crop Progress

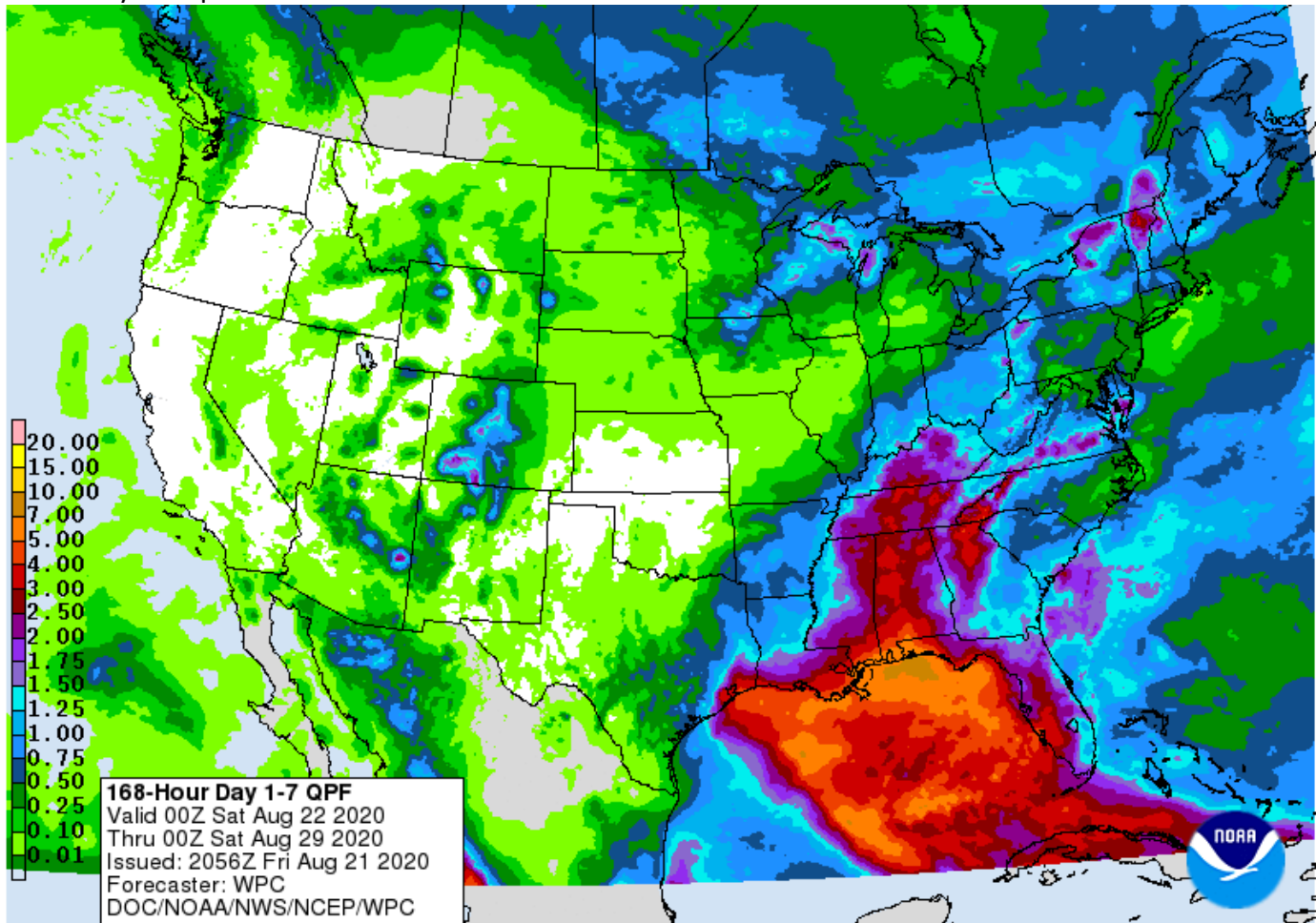
## USDA Crop Progress Estimates As of: 8/23/2020

	FI Estimate	Last Week	Year Ago	5-year Average*	Change
Good/Excellent Conditions					
Spring Wheat Conditions	70	70	69	63	0
Corn Conditions	67	69	57	66	-2
Soybean Conditions	70	72	55	63	-2

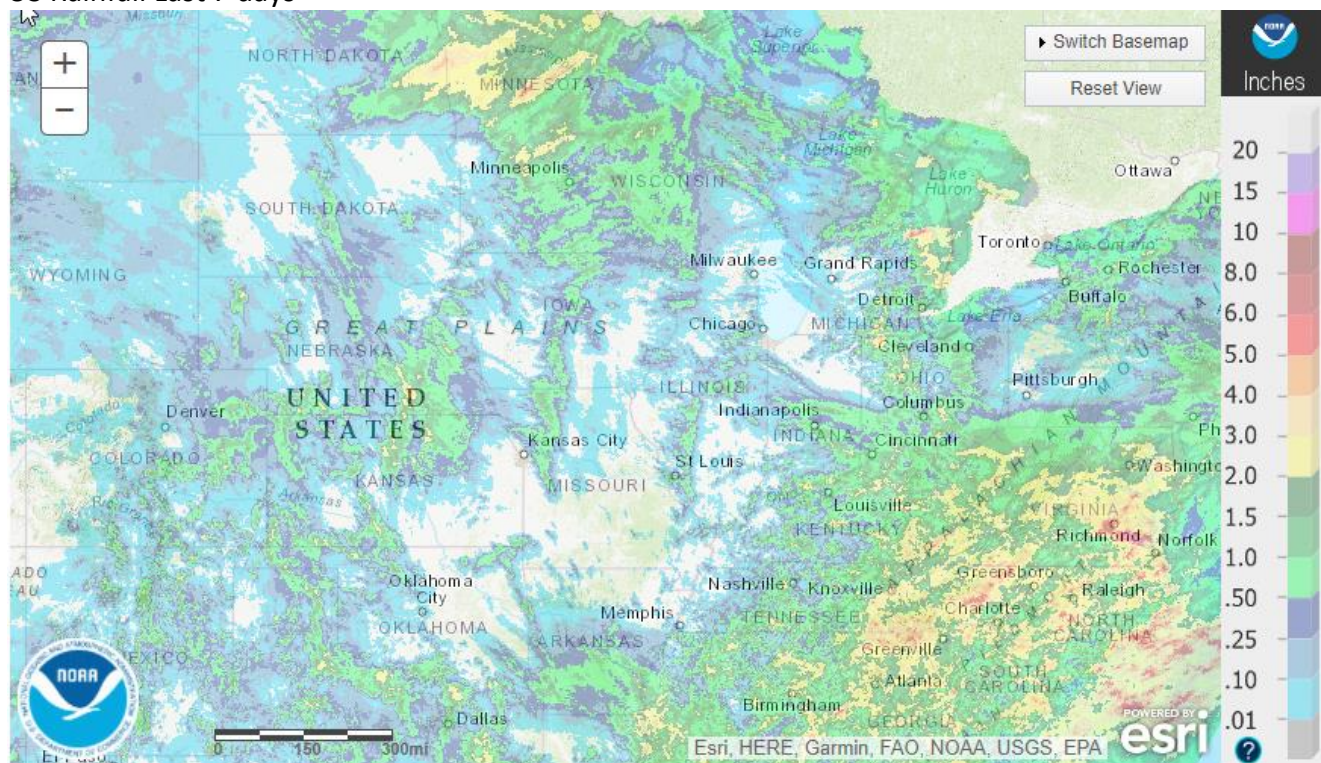
	FI Estimate	Last Week	Year Ago	5-year Average*	Change
Winter Wheat Harvest	97	93	95	99	4
Spring Wheat Harvest	50	30	32	60	20

Source: FI, USDA, NASS \*Conditions, Harvest and Planting progress for LY and 5-YR best guess

### QPF 7-day Precipitation Forecast



## US Rainfall Last 7 days



### **MARKET WEATHER MENTALITY FOR CORN AND SOYBEANS:**

U.S. weather will remain good for crop development over the next seven days, despite net drying in many areas. Weather in the last days of August and early September will trend a little wetter offering some relief to dryness in a part of the Midwest. Cooling is expected as well and that should help induce some better crop conditions even though moisture deficits will continue.

China weather will remain mostly favorable in key crop areas while India will experience a slowly increasing problem with excessive soil moisture and flooding. Australia crops will remain in favorable condition while the southwestern Canada Prairies will experience another week of drying.

Ontario and Quebec crops will remain good like those in many U.S. production areas.

Europe and the CIS weather will remain most stressful for crops in eastern and southern Ukraine into Russia's Southern Region. Partial relief will occur in "some" crop areas in France while Germany and other areas in northeastern Europe experience good crop conditions.

Southeast Asia still needs greater rain in Indonesia while conditions in the Philippines and mainland areas of are improving.

Brazil early season corn planting conditions will improve following this week's rain and colder weather. Worry about drought in Argentina will slowly rise as September planting season gets closer for early corn. Showers next week during the middle part of the week will help improve early season topsoil moisture, but follow up rain will be very important.

Overall, weather today will likely provide a mixed influence on market mentality with a slight bullish bias.

### **MARKET WEATHER MENTALITY FOR WHEAT AND OTHER SMALL GRAINS**

Harvest weather in Canada has been improving with the net drying conditions that have been prevailing recently. A mostly good harvest environment should continue. Harvesting in the northern Plains is advancing swiftly as well.

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Europe harvest weather remains fair to good and the same is true for the western CIS. There is need for net drying in western parts of the CIS while the New Lands need to dry out to protect small grain quality.

Australia's winter crops are in mostly good condition, although showers this weekend will be too brief and light for much change in soil moisture. Frost and freezes today and those coming during the weekend should not induce much permanent damage.

Eastern South Africa wheat areas are still too dry and need rain in the next few weeks to support reproduction.

Argentina rain next week will be welcome wherever it occurs, but there will be needed for much more rain to improve soil moisture enough to turn around wheat and barley production potentials. Southern Brazil cold today and that which is coming during the weekend should only damage a very small percentage of wheat.

Overall, weather today will produce a mixed influence on market mentality.

Source: World Weather Inc.

## **Bloomberg Ag Calendar**

FRIDAY, August 21:

- ICE Futures Europe weekly commitments of traders report, 1:30pm (6:30pm London)
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm
- FranceAgriMer weekly update on crop conditions
- China International Cereals and Oils Industry Summit, day 2
- Malaysia palm oil export data for August 1-20
- U.S. cattle on feed, 3pm

SUNDAY, August 23:

- China customs publishes data on imports of corn, wheat, sugar and cotton

MONDAY, August 24:

- USDA weekly corn, soybean, wheat export inspections, 11am
- U.S. crop conditions for soybeans, corn, cotton; wheat harvesting progress, 4pm
- Monthly MARS bulletin on crop conditions in Europe
- EU weekly grain, oilseed import and export data
- Brazil Unica sugar production, cane crush (tentative)
- U.S. cold storage data for pork and beef, poultry slaughter, 3pm
- Ivory Coast cocoa arrivals
- EARNINGS: IOI Corp, FGV

TUESDAY, August 25:

- China customs publishes country-wise soybean and pork import data
- Malaysia palm oil export data for August 1-25

WEDNESDAY, August 26:

- EIA U.S. weekly ethanol inventories, production, 10:30am

THURSDAY, August 27:

- USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, pork, beef, 8:30am
- International Grains Council monthly report
- Port of Rouen data on French grain exports
- EARNINGS: Sime Darby Plantation

FRIDAY, August 28:

- ICE Futures Europe weekly commitments of traders report, 1:30pm (6:30pm London)
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm
- FranceAgriMer weekly update on crop conditions
- U.S. agricultural prices paid, received, 3pm

Source: Bloomberg and FI

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## FI ESTIMATES FOR US EXPORT INSPECTIONS

Million Bushels	FI Estimates	Last Week	5-Year Ave.
<b>WHEAT</b>	<b>15 to 22</b>	17.0	18.5
<b>CORN</b>	<b>33 to 45</b>	40.8	38.6
<b>SOYBEANS</b>	<b>18 to 28</b>	28.8	27.7

Million Tons	FI Estimates	Last Week	5-Year Ave.
<b>WHEAT</b>	<b>400 to 600</b>	461.7	504.4
<b>CORN</b>	<b>850 to 1,150</b>	1,037.0	979.4
<b>SOYBEANS</b>	<b>500 to 750</b>	785.1	753.4

Source: USDA & FI

## USDA August Monthly Cattle-on-Feed Report

	Numbers		USDA's estimated % of prev yr	Average of analysts' estimates	Range of analysts' estimates
	2020	2019			
On-feed Aug 1	11.284M	11.112M	102	100.8	99.7- 101.4
Placed in Jul	1.893M	1.705M	111	106.2	101.7- 108.7
Marketed in Jul	1.990M	2.002M	99	99.6	98.8- 101.5

Source: Dow Jones Newswires and FI

### Corn.

- US corn futures rose on export demand and Iowa crop damage reports from yesterday's state tour.
- With the bullish news behind us, we have the weekly crop conditions and the next WASDE on September 11 for traders to focus on.
- France's farm office, FranceAgriMer estimates their corn crop at 62% G/E for the week ending August 17, from 65% the week earlier.
- US corn conditions are expected to be down 1-3 points when updated on Monday. Recall IA declined 10 points last week.
- EPA reported that the US generated 1.17 billion D6 ethanol blending credits in July compared to 1.07 billion D6 credits in June.
- Pro Farmer crop tour wrapped up and they issued final results of 177.5 bu/acre for corn on production of 14.82 billion bushels.
- Funds were and estimated net buyers of 8,000 corn contracts on the session.
- CFTC reported that corn specs cut net shorts by 61,636 to 132,622 contracts for the week ended August 18.

### Corn Export Developments

- USDA 24-hour sales reported 405,000 tons of corn were sold to China for 2020/21 MY.
- Since China began their corn reserves sales program on May 28, they sold an estimated 52 million tons. This should be a record.

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Corn		Change	Oats		Change	Ethanol		Settle	
SEP0	327.25	2.75	SEP0	269.00	(2.75)	SEP0	1.28	Spot DDGS IL	
DEC0	341.00	1.75	DEC0	263.50	0.00	OCT0	1.27	Cash & CBOT	
MAR1	353.25	1.00	MAR1	262.25	0.00	NOV0	1.27	Corn + Ethanol	
MAY1	360.75	0.50	MAY1	262.75	0.00	DEC0	1.28	Crush	
JUL1	366.00	0.00	JUL1	262.50	0.00	JAN1	1.26	1.60	
SEP1	367.50	0.00	SEP1	266.25	0.00	FEB1	1.26		
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn		Ratio	Spread	Change
SEP0	SEP0	2.75	572.75	(5.75)	SEP0	1.61	199.75	4.75	
NOV0	DEC0	2.65	562.75	(3.25)	DEC0	1.57	193.50	4.25	
MAR1	MAR1	2.58	559.00	(2.50)	MAR1	1.53	187.75	5.00	
MAY1	MAY1	2.54	554.50	(2.50)	MAY1	1.51	185.25	6.25	
JUL1	JUL1	2.52	555.25	(1.75)	JUL1	1.49	180.50	5.00	
SEP1	SEP1	2.49	548.25	(1.50)	SEP1	1.50	184.00	3.75	
US Corn Basis & Barge Freight									
Gulf Corn			BRAZIL Corn Basis			Chicago		+15 u unch	
AUG	+54 / 59 u unch		SEP	+105 / 120 z unch		Toledo	-5 u unch		
SEPT	+57 / 60 u unch		OCT	+105 / 125 z up5/unch		Decatur	+17 u unch		
OCT	36 unch		NOV	+105 / 127 z unch		Dayton	+10 u unch		
NOV	+57 / 63 z unch		DEC	+108 z / na dn2		Cedar Rapids	-5 u up1		
DEC	+55 / 63 z unch					Burns Harbor	-5 u unch		
USD/ton: Ukraine Odessa \$ 172.00					Memphis-Cairo Barge Freight (offer)				
US Gulf 3YC Fob Gulf Seller (RTRS) 156.4 164.3 171.7 171.7 170.5 169.0					BrgF MTCT AUG		260	unchanged	
China 2YC Maize Cif Dalian (DCE) 322.9 325.3 327.3 329.0 330.5 332.5					BrgF MTCT SEP		375	unchanged	
Argentina Yellow Maize Fob UpRiver 167.1 165.2 167.0 - - -					BrgF MTCT OCT		385	unchanged	

Source: FI, DJ, Reuters & various trade sources

Updated 8/17/20

- September corn is seen in a \$3.15 and \$3.45 range. December \$3.20-\$3.65 range.

### Soybean complex.

- Soybeans traded lower following meal and the chance of rain next week as two tropical storms converge in the US Gulf. Underpinning the soybean market was the large bean sale reported on the 24-hour window.
- China and the United States may hold trade electronic video talks over the next week to discuss the Phase 1 trade deal.
- We look for US soybean conditions to decline 1-2 points when updated Monday. Last week we saw IA soybean conditions fall 8 points (10 for corn) and expect a decline of 3-6 points this week from net drying bias western IA and additional data gathering from the derecho event.
- Palm oil ended the session down over 2% on weak export data and increased production out of Indonesia.
- EPA reported that the US generated 382 million D4 bio-diesel blending credits in July compared to 387 million D4 credits in June.
- Pro Farmer crop tour wrapped up and they issued final results of 52.5 bu/acre for soybeans on production of 4.3562 billion bushels.
- CFTC reported that soybean specs bought a net 76,495 contracts to flip to a net long of 68,411 contracts for the week ended August 18.

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- Funds were a net estimated seller of 2,000 soybean contracts and 4,000 soybean meal contracts and buyers of 1,000 bean oil on the session.

### Oilseeds Export Developments

- USDA 24-hour sales reported 368,000 tons of soybeans were sold to unknown buyers for 2020/21 MY.
- USDA 24-hour sales reported 400,000 tons of soybeans were sold to China for 2020/21 MY.
- Syria seeks 50,000 tons of soybean meal and 50,000 tons of corn on Aug 25 for delivery within four months of contract signing.

Soybeans			Soybean Meal			Soybean Oil		
		Change			Change			Change
SEP0	900.00	(3.00)	SEP0	289.80	(4.00)	SEP0	31.42	0.12
NOV0	903.75	(1.50)	OCT0	292.60	(3.70)	OCT0	31.48	0.16
JAN1	910.00	(1.75)	DEC0	297.10	(3.50)	DEC0	31.68	0.16
MAR1	912.25	(1.50)	JAN1	298.50	(3.40)	JAN1	31.83	0.14
MAY1	915.25	(2.00)	MAR1	299.10	(2.90)	MAR1	31.92	0.10
JUL1	921.25	(1.75)	MAY1	299.80	(2.60)	MAY1	32.05	0.12
AUG1	923.75	0.00	JUL1	302.20	(2.20)	JUL1	32.12	0.12

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Sep/Nov	3.75	1.50	Sep/Dec	7.30	0.50	Sep/Dec	0.26	0.04

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil		
Month	Margin	of Oil&Meal	Con. Value	Value	Value		
SEP0	83.18	SEP0 35.15%	\$ 10,128	637.56	345.62		
OCT0/NOV0	86.25	OCT0 34.98%	\$ 10,372	643.72	346.28	EUR/USD	1.1795
NOV0/DEC0	98.35	DEC0 34.77%	\$ 10,702	653.62	348.48	Brazil Real	5.6193
JAN1	96.83	JAN1 34.78%	\$ 10,752	656.70	350.13	Malaysia Bid	4.1790
MAR1	96.89	MAR1 34.79%	\$ 10,758	658.02	351.12	China RMB	6.9179
MAY1	96.86	MAY1 34.83%	\$ 10,750	659.56	352.55	AUD	0.7161
JUL1	96.91	JUL1 34.70%	\$ 10,948	664.84	353.32	CME Bitcoin	11625
AUG1	94.85	AUG1 34.62%	\$ 11,034	665.94	352.66	3M Libor	0.25
SEP1	103.18	SEP1 34.60%	\$ 11,060	666.38	352.55	Prime rate	3.2500
NOV1/DEC1	101.51	OCT1 34.62%	\$ 10,970	661.76	350.35		

US Soybean Complex Basis			
AUG	+82 / 95 q unch		DECATUR +10 x unch
SEP	+73 / 75 x unch	IL SBM	SIDNEY -15 x unch
OCT	+67 / 73 x unch	CIF Meal	CHICAGO -5 x unch
NOV	+74 / 80 x unch	Oil FOB NOLA	TOLEDO -5 x unch
DEC	+68 / 72 f unch	Decatur Oil	BRNS HRBR -12 x unch
			C. RAPIDS -35 x dn5

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
AUG	nq na	SEP	+25 / +29 u up2/unch	SEP	+300 / +400 q up70/dn30
SEPT	-175 / +190 u dn5/dn5	OCT	+15 / +22 v up3/up3	OCT	+230 / +350 u unch/dn50
OCT	+170 / +190 x unch	NOV	+15 / +19 v up2/up1	NOV	+200 / +360 v up20/dn30
FEB	+74 / +83 f unch	DEC	+1153 / +19 z up2/up1	DEC	+200 / +360 z up20/dn30
MCH	+51 / +55 h dn2/dn2	JAN	+12 / +16 f unch	JAN	+100 / +250 f up20/unch
	Argentina meal	313	20.3	Argentina oil: Spot fob	33.2 1.68

Source: FI, DJ, Reuters & various trade sources

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*Updated 8/17/20*

- *September soybeans are seen in a \$8.80-\$9.30 range. November \$8.80-\$9.50.*
- *September soybean meal is seen in a \$285 to \$310 range. December \$285-\$320.*
- *September soybean oil range is seen in a 30.00 to 33.50 range. December 29.75-35.00 range.*

## **Wheat**

- US wheat futures traded higher on global production concerns and inflation hedge buying.
- Chicago December settled 6.50 cents higher. KC was up 4 cents (Dec) and MN up 1.50 cents (Dec).
- A Russian Ag Consultancy raised its forecast for the Russian 2020 wheat crop to 81.2 million tons from 80.9 million tons previously.
- The USD rose today, but is still near the lows, helping keep US wheat attractive to global buyers.
- Paris milling wheat ended up 2.75 euros to 183.75 euro/ton on Argentine cold weather.
- CFTC reported that wheat specs cut net shorts by 7,623 to 25,766 contracts for the week ended August 18.
- Funds were an estimated net 5,000 wheat contract buyer on the session.

## *Export Developments.*

- Results awaited: Pakistan seeks 1.5 million tons of wheat. Lowest offer was \$233.85/ton for 200,000 tons of milling wheat.
- Turkey seeks 390,000 tons of red milling wheat and 110,000 tons of durum wheat on August 25. They also seeks feed barley.
  - Red wheat shipment period is between Sep 4 and Oct 10
  - Durum shipment period is between Sept. 15 and Oct. 10.
  - Feed barley shipment period is between Sept. 11 and Sept. 25.
- Japan seeks 80,000 tons of feed wheat and 100,000 tons of feed barley (SBS) on August 26 for November 30 loading.
- Syria looks to sell and export 100,000 tons of feed barley with offers by Sep 1.
- Syria seeks 200,000 tons of soft wheat from EU/Russia on Sept. 9 and 200,000 tons of wheat from Russia on Sept. 14.

## **Rice/Other**

- Results awaited: South Korea's Agro-Fisheries & Food Trade Corp. seeks 60,556 tons of rice from Vietnam and other origins, on Aug. 19, for arrival in South Korea between Dec. 31, 2020, and February 28, 2021.

Chicago Wheat			KC Wheat			MN Wheat		
		Change			Change	Settle		Change
SEP0	527.00	7.50	SEP0	444.25	2.75	SEP0	515.00	1.75
DEC0	534.50	6.00	DEC0	455.25	2.50	DEC0	529.00	1.50
MAR1	541.00	6.00	MAR1	464.75	2.00	MAR1	540.00	1.50
MAY1	546.00	6.75	MAY1	474.00	3.25	MAY1	548.75	1.25
JUL1	546.50	5.00	JUL1	481.25	3.00	JUL1	557.00	1.50
SEP1	551.50	3.75	SEP1	490.75	3.75	SEP1	564.50	1.25
DEC1	562.00	3.50	DEC1	502.75	3.50	DEC1	574.75	1.00

Chicago Rice			NOV0			JAN1		
		Change			Change	Settle		Change
SEPO	12.27	0.100	NOV0	12.36	0.020	JAN1	12.52	0.050

US Wheat Basis					
Gulf SRW Wheat		Gulf HRW Wheat		Chicago mill	+5 u unch
AUG	+54 / 66 u unch	AUG	135 / u unch	Toledo	sept price unch
SEP	+64 / 66 u unch	SEP	145 / u unch	PNW US Soft White 10.5% protein	
OCT	+64 / 66 z unch	OCT	150 / z unch	PNW Aug	560 unchanged
NOV	+65 / z unch	NOV	150 / z unch	PNW Oct	570 unchanged
DEC	+65 / z unch	DEC	150 / z unch	PNW Nov	573 unchanged
				PNW Dec	573 unchanged

Euronext EU Wheat		Change	OI	OI Change	World Prices \$/ton		Change
SEP0	185.00	3.75	41,763	(2,355)	US SRW FOB	\$231.86	\$3.13
DEC0	184.00	2.75	175,303	4,571	US HRW FOB	\$235.70	\$7.00
MAR1	185.00	2.00	65,586	502	Rouen FOB 11%	\$219.09	\$1.75
MAY1	186.25	1.75	32,584	586	Russia FOB 12%	\$200.00	\$5.00
EUR	1.1795				Ukr. FOB feed (Odessa)	\$195.50	\$0.00
					Arg. Bread FOB 12%	\$243.42	(\$16.26)

Source: FI, DJ, Reuters & various trade sources

Updated 8/17/20

- Chicago September is seen in a \$4.90-\$5.35 range. December \$5.00-\$5.50 range.
- KC September; \$4.15-\$4.55 range. December \$4.30-\$4.75.
- MN September \$4.90-\$5.25 range. December \$5.05-\$5.40.



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