

GRAIN COMMENTS FOR 9-30-2020

CORN

- It was just a quarterly stock report and should not have much effect on the grain price. WRONG! The grain market saw lower numbers for the stocks report and the price exploded to the upside.
- For the corn, corn stocks came in at 1.995 billion bushels. This was 271 million bushels below the trade estimate.
- Across the board, the three major grains found their ending stock number well below the trade estimate. This combination helped the entire grain complex move in unison to the up side.
- China's corn purchases will be watched closely but with today's rally in the corn price we may have priced ourselves out of the market.
- China still needs corn. Their corn inventory is in question. They have sold a large amount of corn out of their government reserve that they will have to replace. They are expanding their hog herd at a faster rate than anticipated. They had weather problems that reduced their 2020 corn production. As you see, China does need corn it is just when do they need it.

WHEAT

- Up Monday and down Tuesday, up Wednesday! The describes the price action this week for the wheat. The difference; the rally today took the wheat out of a sideways price pattern.
- The quarterly stocks report provided the surprise for the grain market and wheat was included. Quarterly wheat stocks came in 81 million bushels below the pre-report trade estimate. This was enough to rally the wheat but there was more.
- In the Small Grains Report, Wheat production for 2020 came in at 1.826 billion bushels. This was 10 million below the estimate.
- The break down by classification saw hard red winter wheat production at 659 million bushels. This was 34 million below the estimate. This decrease helped the Kansas City wheat futures gain on the Chicago wheat futures.