Farm Journal
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News this week...
- **2** – Corn crop starts with above-average rating.
- **3** – Beef exports remain strong, pork shipments slump.
- **4** – Highlights of USDA's June WASDE Report.

Contract highs for soybeans – *Soybean futures rallied to contract highs last week, with the front-month contract getting within 10 3/4¢ of the all-time high on the continuation chart before pulling back Friday. Corn futures followed soybeans higher amid bull spreading as basis firmed. The strength in soybeans and corn allowed wheat to fend off hedge pressure amid increased harvest activity in the Southern Plains. There was no movement on reopening Ukrainian grain exports, which helped support corn and wheat. Cattle futures rallied amid bullish export news and firmer bids in the cash market. While feedlot supplies are building seasonally, marketings are current. Summer-month hog futures moved to discounts to the cash index, suggesting traders sense the delayed seasonal cash strength is nearing an end.*

Drier but mostly favorable weather

Hotter, drier conditions are expected across the southern two-thirds of the Corn Belt, Southern Plains and Delta over the next two weeks as a high pressure ridge builds over the middle of the country. Soil moisture is ample for normal crop development during the drier period, though there will be a need for rains in some areas by late June/early July. World Weather Inc. expects "an active pattern," with alternating periods of rains and short-term ridging.

Winter wheat crop slightly bigger

USDA raised its winter wheat production estimate by 8 million bu. from last month amid a 0.3 bu. increase to the yield, which is now estimated at 48.2 bu. per acre. Harvested acres were unchanged from last month at 24.499 million acres.

HRW: 582 million bu., down 8 million bu. from May.

SRW: 358 million bu., up 4 million bu. from last month.

White winter: 242 million bu., up 12 million bu. from May.

USDA's all wheat crop estimate of 1.737 billion bu. implies a combined other spring wheat and durum crop of 555 million bu., unchanged from last month. USDA will issue its first spring wheat production estimates in July.

Higher input costs will linger

Ag economists told a House Ag Subcommittee high input costs will likely persist even after commodity prices decline, noting the current farm bill commodity programs are not well equipped to deal with any such situation. The economists suggested allowing farmers to take the higher payment between ARC and PLC instead of electing one coverage, updating PLC reference prices and margin coverage similar to the Dairy Margin Coverage (DMC) program.

USDA's ATM keeps spitting out money

Sources tell us USDA will use $1 billion from the Commodity Credit Corporation (CCC) to help fund the school lunch program. Apparently, the aggressive use of CCC for funding nontraditional programs still leaves enough money for traditional functions before Congress replenishes its funds.

Consumer inflation continues to soar

The U.S. consumer price index (CPI) jumped 8.6% from year-ago in May — the largest annual increase since December 1981. Economists expected CPI to ease from the 8.3% rise in April, but soaring fuel and food prices outpaced expectations. Energy prices surged 34.6% over the past year, the largest increase since September 2005. Food prices soared 10.1%, the first double-digit increase since March 1981. Excluding food and energy prices, core CPI increased 6.0%, which was down from 6.2% in April.

Inflation drives consumer sentiment to record-low

Consumer sentiment plunged 14% from May, according to preliminary results of the University of Michigan's consumer sentiment index, plummeting to a record-low. Half of consumers attributed their negative views to inflation, specifically surging gas prices. That share has only been exceeded once since 1981, during the Great Recession.

Rule of 10 signals economic trouble

Strategas chief economist Don Rissmiller coined the Rule of 10 in 2011 — a theory that the U.S. economy is troubled when interest rates combined with energy prices reaches double digits. On June 10, the 30-year fixed mortgage hit 5.23% and the national average gas price rose to $5. Treasury Secretary Janet Yellen doesn't expect the U.S. economy to fall into recession, saying "it's amazing how pessimistic" Americans have become. Remember... Yellen recently admitted she was wrong with her long-standing take that inflation was transitory.

Mark Zandi, chief economist at Moody's Analytics, said: "If we get to $5.50 or $6 [gasoline]... We're in for a recession. It would be too much to bear." Gasoline prices could reach an average of $6.20 by August, JPMorgan Chase estimates.

China's PPI eases, CPI unchanged

China's producer price index (PPI) eased to a 14-month low of 6.4% above year-ago in May but that was the 17th straight month of annual gains in producer prices. China's CPI held at 2.1%. Food prices rose 2.3%, the most since September 2020.

Corn off to above-average start

Corn planting advanced to 94% completed as of June 5, two points ahead of the five-year average, while 78% was emerged, three points behind normal. USDA rated the crop as 73% "good" to "excellent" and only 4% as "poor" to "very poor."

On the weighted *Pro Farmer* Crop Condition Index (CCI; 0 to 500-point scale, with 500 representing perfect), the corn crop started the growing season 0.8 point above this date last year, though 5.4 points below the initial 2021 rating that came a week earlier. The initial corn CCI rating is 6.5 points above the five-year average for the first week of June.

What above-average start means to final corn yield

There's no strong correlation between initial crop ratings and final yield, though odds of a record yield increase when the crop starts strong. Excluding the disaster of 2012, this year's initial 73% "good" to "excellent" rating for the crop would equate to a yield of 177.5 bu. per acre, which would be 0.5 bu. above last year's record.

Soybean planting nearly caught up

Soybean planting increased 12 points to 78% done, one point behind the five-year average. Planting remained far behind normal in Minnesota (72% vs. 90% on average) and North Dakota (41% vs. 85%), while most of the other top producing states surpassed their average pace. Based on March intentions, there were still 1.44 million acres of soybeans left to plant in Minnesota and 3.92 million acre left in North Dakota.

Soybean emergence increased 17 points to 56%, still three points behind average for the first week of June.

Spring wheat seeding still well behind

Spring wheat planting increased nine points to 82%, still 15 points behind the five-year average. Planting was only 74% done in North Dakota (97% on average) and 65% in Minnesota (98%). There were still 1.8 million acres of spring wheat left to plant in North Dakota and 328,000 acres left in Minnesota. Other slow planting years suggest spring wheat acres are likely to decline from March intentions, though that has not always been the case.

Winter wheat harvest a tad behind

U.S. winter wheat harvest stood at 5% done as of June 5, one point behind the five-year average. Harvest was 36% done in Texas (38% on average) and 15% in Oklahoma (13%). With the crop fully headed in those two states and 98% in Kansas, harvest activity will accelerate across the Southern Plains.

Brazil raises corn crop estimate

Conab raised its official Brazilian corn crop estimate by 600,000 metric tons (MT), despite dryness in the center-south region, to 115.2 million metric tons (MMT). It noted production could still be impacted by weather as about a quarter of the country's crop is still filling. Conab kept the 2021-22 corn export forecast at 37 MMT.

Conab raised its Brazilian soybean crop by 500,000 MT to 124.3 MMT. Despite the bigger production estimate, Conab lowered its 2021-22 export forecast by 1.8 MMT from last month to 75.2 MMT, citing increased crushing and exports of soy products.

China soybean imports surge

China imported 9.7 MMT of soybeans in May, up nearly 30% from the previous month and 0.6% above year-ago, as some cargoes delayed at ports by Covid restrictions were unloaded. Through the first five months of this year, China imported 38.0 MMT of soybeans, down 0.4% from the same period last year.

China's trade data strengthens

China's total exports jumped 16.9% from year-ago in May, the strongest increase since January as factory production resumed and logistics issues eased following a relaxation of Covid-19 control measures in Shanghai and Beijing. China's imports rose 4.1% last month, the first year-over-year increase in three months.

The May trade data pushed China's trade surplus to $78.8 billion, up from $51.1 billion in April. China's trade surplus with the U.S. increased to $36.1 billion in May. Through the first five months of the year, China's cumulative trade surplus stood at $290.5 billion, including a surplus of $153 billion with the United States.

Parts of Shanghai locked down again

Minhang district, home to 2 million people, was the latest to be quarantined as China's biggest city continues to battle Covid-19. China's government recently declared victory against the virus in Shanghai following a costly two-month lockdown, though there are obviously still some issues.

U.S. looking into China tariffs

Treasury Secretary Janet Yellen said the Biden administration is considering ways to reconfigure tariffs on imports from China as a means of helping to ease inflation that's at a 40-year high. She told lawmakers that while some of the tariffs are important to protect U.S. national security, the cost of certain duties on China ended up being paid by Americans. When the tariffs were enacted prior to the pandemic, annual inflation was trending near 2%.

Payment limit issues with ERP

For equipment gains to be considered part of a farm's adjusted gross income (AGI), other net farm AGI must be greater than 66.66% of the total. However, the Tax Cuts and Jobs Act of 2017 (TCJA) made all trades of farm equipment a taxable event, which causes the gain to be recognized as taxable income, and the equipment purchased is allowed to be fully deducted using 100% bonus depreciation. This causes many farmers' tax returns to show negative Schedule F income while having overall net farm income if equipment gains were included. But it appears the FSA handbook has not been updated to address this issue. Many farmers have 100% of their income from farming, but they show an overall AGI loss. In this case, the farmer can never qualify for the increased payment limit for the Emergency Relief Program (ERP).

Meanwhile, clarity is needed if CPAs are allowed to determine the farmer's AGI if they filed a married filing separate tax return for the more than 75% of farm AGI calculation.

One suggestion being offered: Farmers with negative farm AGI should be allowed to receive the increased payment limit as long as their gross receipts from farming exceeds some percentage of overall gross receipts.

World Bank warns of '70s stagflation

The World Bank slashed its global economic growth for 2022 to 2.9% from 5.7% last year — 1.2 percentage points lower than it forecast in January. Economic growth in advanced economies is projected to decelerate sharply to 2.6% in 2022 from 5.1% last year. Expansion in emerging markets and developing economies is projected to fall to 3.4% from 6.6% in 2021, well below the annual average of 4.8% from 2011 to 2019.

World Bank expects economic growth to hover around its forecast level for this year through 2023 and into 2024, while inflation is expected to remain elevated. An extended period of high inflation and weak growth could lead to stagflation.

Clear parallels exist between the situation in the 1970s and now. However, World Bank says there are key differences, including the strength of the U.S. dollar and broadly strong balance sheets at major financial institutions. To reduce risks of a repeat of the 1970s, World Bank urged policymakers to coordinate aid for Ukraine, counter the spike in oil and food prices, and set up debt relief for developing economies.

OECD slashes economic outlook, but not as dour

The Organization for Economic Cooperation and Development (OECD) slashed its world GDP forecast to 3% this year from 4.5% growth it expected in December. Economic growth is expected to slow to 2.8% next year, down from a previous forecast of 3.2%. Despite the outlook for lower growth and higher inflation, OECD sees limited risk of stagflation like that of the mid-1970s.

Beef exports stay strong, pork slows

The U.S. exported 304.0 million lbs. of beef during April, which was a record for the month and the second highest tally ever behind May 2021. This marked the first time U.S. beef shipments have topped 300 million lbs. in consecutive months. Through the first four months of this year, beef exports at 1.150 billion lbs. increased 66.2 million lbs. (6.1%) from the same period last year, driven by a 42.5% increase in shipments to China.

Pork exports totaled 528.7 million lbs. during April, down 15.5 million lbs. (2.8%) from March and 111.8 million lbs. (17.4%) below year-ago. Through the first four months of the year, pork exports at 2.069 billion lbs. fell 512.4 million lbs. (19.8%) versus the same period last year amid a 72.2% plunge in shipments to China.

Broiler meat exports declined 9.1% from March to 593.9 million lbs., though that was up 0.3% from April 2021.

Small U.S. ag trade deficit in April

The U.S. exported $17.61 billion of ag goods against imports of $17.63 billion in April for a deficit of $19.3 million. Through the first seven months of fiscal year (FY) 2022, ag exports reached $119.4 billion against imports of $110.5 billion for a surplus of nearly $9 billion.

USDA forecasts FY 2022 ag exports at $191 billion and imports at $180.5 billion, which would leave a surplus of $10.5 billion. To get to those levels, exports would have to average $14.3 billion and imports would have to average $14.0 billion over the final five months of FY 2022.

Record exports shrink trade deficit

The U.S. trade deficit dropped 19.1% in April, the largest monthly decline since December 2012, to $87.1 billion. Imports of goods and services fell 3.4% to $339.7 billion, while exports increased 3.5% to a record $252.6 billion.

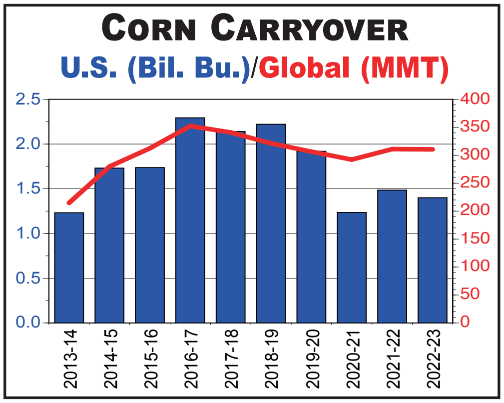
Economists expect first-quarter GDP will be revised to show it contracting at a rate of about 1.3% when the government publishes its third estimate later this month. Trade has subtracted from GDP for seven straight quarters, but growth estimates for the second quarter are as high as 4.8% amid the increase in exports.

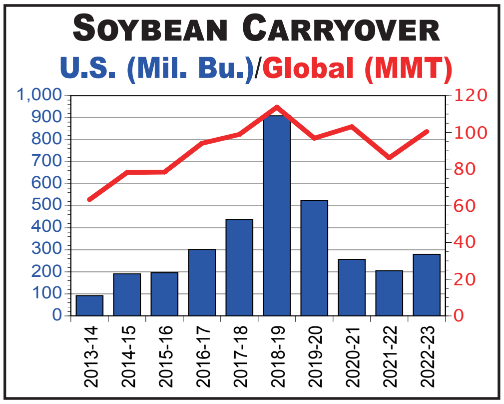
China's meat imports stay sluggish

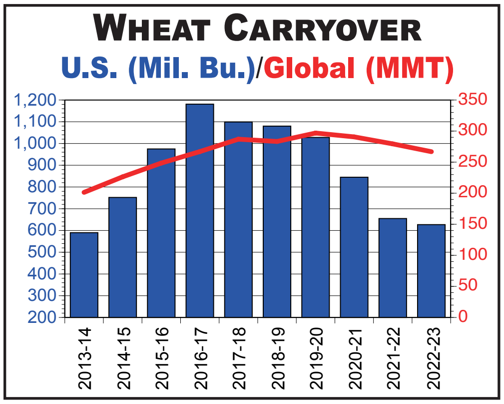
China's meat imports in May were virtually unchanged from the previous month at 590,000 MT, though that was down 24.7% from last year. China doesn't provide a breakdown of meat imports by category in its preliminary data, though the sharp year-over-year reduction was due to reduced pork imports. Through the first five months this year, China imported 2.85 MMT of meat, down 34.2% from the same period last year.

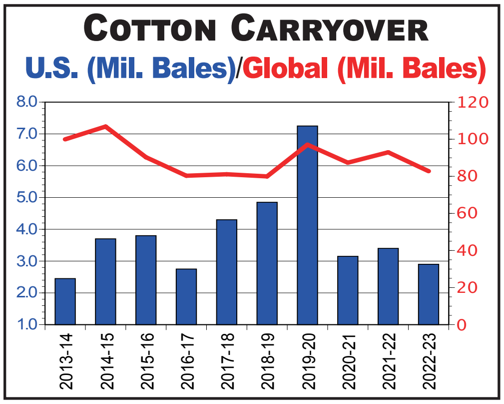
USDA raises U.S. and global corn ending stocks

by Editor Brian Grete









Corn — USDA raised old-crop corn carryover by 45 million bu. from last month to 1.485 billion bushels. USDA made no changes to the supply side of the old-crop balance sheet. It cut exports by 50 million bu. (to 2.450 billion bu.) and increased food, seed and industrial use by 5 million bushels (to 6.815 billion bu.).

For 2022-23, USDA raised projected ending stocks by 40 million bu. from last month to 1.400 billion bushels. Beginning stocks increased 45 million bu. (higher old-crop carryover). That was only partially offset by a 5-million-bu. increase in projected food, seed and industrial use (to 6.820 billion bu.).

Our corn ending stocks forecast is 1.410 billion bu. for 2021-22 and 1.350 billion bu. for 2022-23.

- **USDA 2021-22 price: $5.95, up a nickel from last month; 2022-23: $6.75, unchanged.**

Global corn carryover: 310.9 million metric tons (MMT) for 2021-22, up 1.5 MMT from May; 310.5 MMT for 2022-23, up 5.3 MMT from last month. USDA raised its 2022 Ukraine crop forecast by 5.5 MMT from last month.

Soybeans — USDA cut 2021-22 soybean ending stocks by 30 million bu. from last month to 205 million bu. amid an increase to exports, which are now projected at 2.170 billion bushels.

For 2022-23, USDA projects ending stocks at 280 million bu., down 30 million bu. from last month on the smaller beginning stocks (old-crop carryover).

Our soybean ending stocks forecast is 210 million bu. for 2021-22 and 290 million bu. for 2022-23.

- **USDA 2021-22 price: $13.35, up a dime from May; 2022-23: $14.70, up 30¢.**

Global soybean carryover: 86.2 MMT for 2021-22, up 910,000 MT from last month; 100.5 MMT for 2022-23, up 860,000 MT from May.

Wheat — USDA made no changes to its old-crop wheat balance sheet this month, keeping ending stocks at 655 million bushels.

For 2022-23, USDA raised projected ending stocks by 8 million bu. to 627 million bu. amid the slightly bigger crop estimate. USDA made no changes to the demand side of the new-crop balance sheet.

Our wheat ending stocks forecast is 650 million bu. for 2021-22 and 610 million bu. for 2022-23.

- **USDA 2021-22 price: $7.70, unchanged from May; 2022-23: $10.75, unchanged.**

Global wheat carryover: 279.4 MMT for 2021-22, down 320,000 MT from last month; 266.9 MMT for 2022-23, down 170,000 MT from May.

Cotton — USDA kept its old-crop ending stocks forecast at 3.4 millions amid no changes to supply or use.

For 2022-23, USDA kept projected ending stocks at 2.9 million bales. It made no changes to supply or use.

Our cotton ending stocks forecast is 3.4 million bales for 2021-22 and 3.4 million bales for 2022-23.

- **USDA 2021-22 price: 92¢, unchanged from May; 2022-23: 95¢, up a nickel.**

Global cotton carryover: 83.0 million bales for 2021-22, down 700,000 bales from May; 82.8 million bales for 2022-23, down 50,000 bales from last month.

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Farm Journal CEO, Andrew Weber

CATTLE - Fundamental Analysis

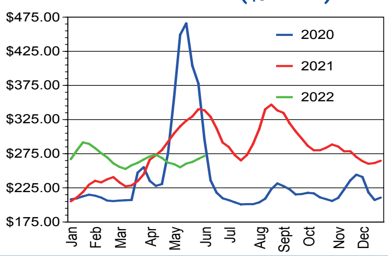
Choice beef cutout climbed over $5.00 in the 10 days following Memorial Day, implying beef clearance over the holiday and the first weekend of June was strong. Grocers are now buying beef for Father's Day and Independence Day features. Strong April beef exports (see *News page 3*) seemingly triggered last week's bullish breakout, which also sparked a contra-seasonal cash bounce. Look for current marketings to limit summer losses, although elevated retail prices are likely to exacerbate weak demand during the summer doldrums. We still harbor serious doubts about the big premiums carried by deferred futures.

Position Monitor

Game Plan: Be prepared to hedge the correction in December live cattle futures. Let the upside become exhausted before adding hedges.

	Feds	Feeders
II'22	0%	0%
III'22	0%	0%
IV'22	0%	0%
I'23	0%	0%

CHOICE BOXED BEEF ($/CWT.)



DAILY AUGUST LIVE CATTLE

HOGS - Fundamental Analysis

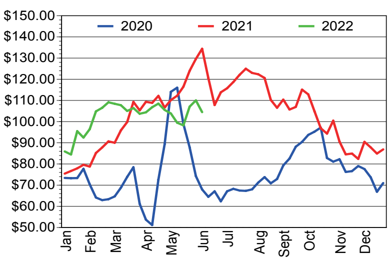
Fluctuating pork cutout quotes through spring suggest consumer demand for pork is proving less robust than that for beef. Elevated retail prices are still restricting consumer demand. That seems likely to change if inflation continues to hammer consumer paychecks. But the lack of premiums in summer futures clearly indicate a generally pessimistic bias toward the hog/pork outlook. This seemingly reflects USDA's implied March projection of summer hog supplies just 1% under year-ago levels. We tend to think those numbers are too high and expect cyclical reductions to continue into fall and winter.

Position Monitor

Game Plan: Futures should strengthen seasonally into mid-summer. Traders have very little premium built into summer-month hogs, so hedges should wait.

	Lean Hogs
II'22	0%
III'22	0%
IV'22	0%
I'23	0%

PORK CUTOUT VALUE ($/CWT.)



DAILY AUGUST LEAN HOGS

FEED

Feed Monitor

Corn

II'22	25%
III'22	0%
IV'22	0%
I'23	0%

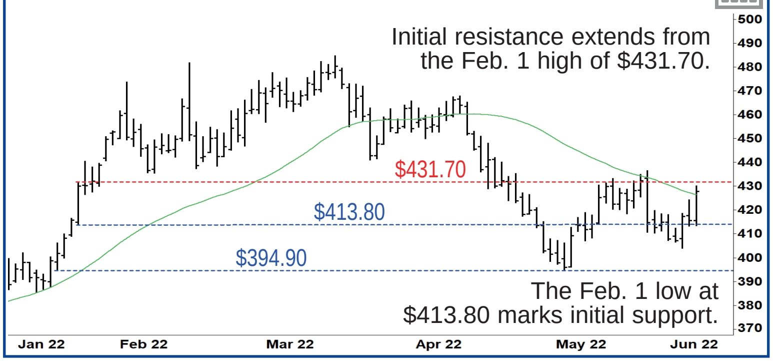
Meal

II'22	67%
III'22	0%
IV'22	0%
I'23	0%

Corn Game Plan: Prepare to go hand-to-mouth on corn-for-feed needs when coverage runs out mid-June. We're willing to wait on an extended pullback before extending coverage.

Meal Game Plan: You are hand-to-mouth on soybean meal needs. A retest of the May low would be an opportunity to extend coverage.

DAILY JULY SOYBEAN MEAL

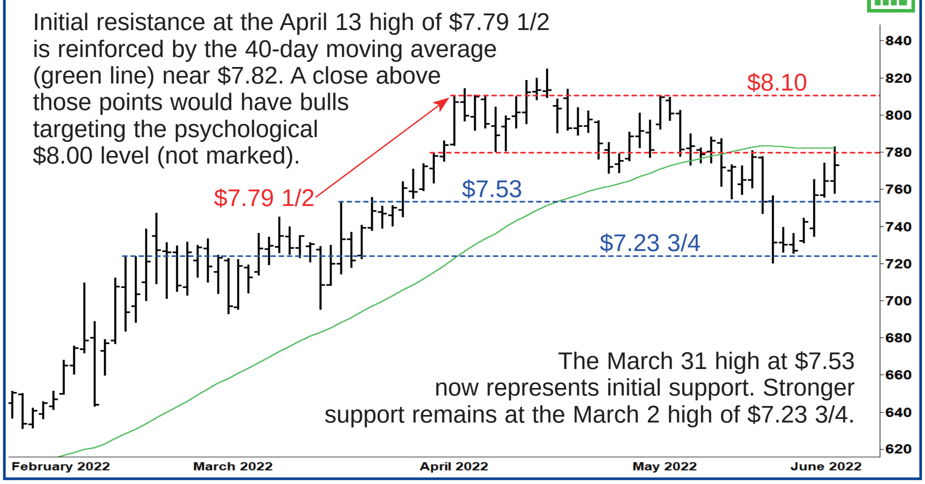


Position Monitor

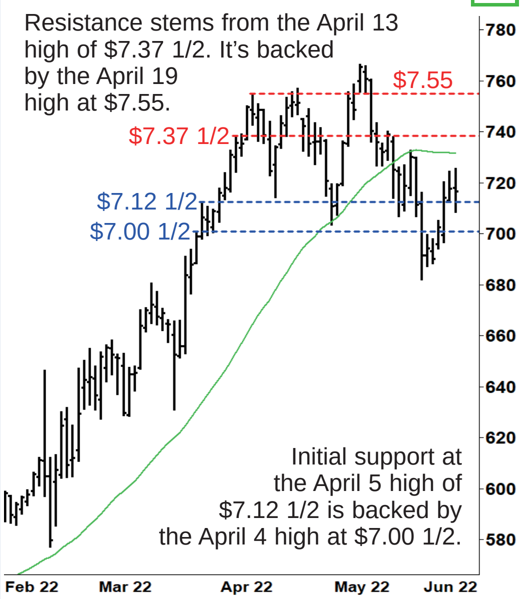
	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	90%	50%
Futures/Options	0%	10%

Game Plan: Get current with advised old- and new-crop cash sales and hedges. Old-crop inventories are down to gambling stocks that will likely be held into summer in case of a strong weather rally. Additional new-crop sales will likely wait until after the crop moves into pollination unless there are signs of a major market top. The recent rise in basis suggests fresh export demand news is coming.

DAILY JULY CORN



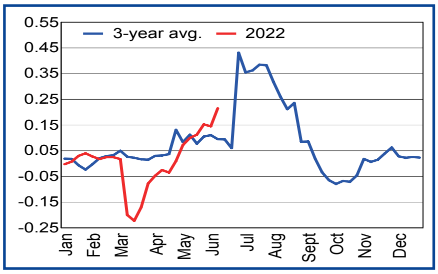
DAILY DECEMBER CORN



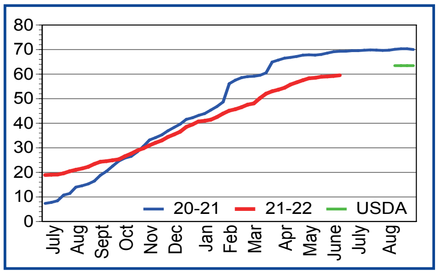
CORN - Fundamental Analysis

USDA's stronger-than-expected initial crop ratings did little to dissuade resurgent bulls, as July futures broke a five-week slide and new-crop December posted its first weekly gain in four. Nearby futures broke a recent downtrend and could be poised for additional contra-seasonal upside amid firm demand and tight supplies, especially if soybeans extend a rally to new all-time highs. Midwest weather the remainder of June and early July will be key to near-term direction, with an outlook for generally favorable conditions capping price upside in new-crop futures but hotter temps limiting the downside. USDA's June 30 Acreage Report also looms as a key tone-setter.

AVERAGE CORN BASIS (JULY)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

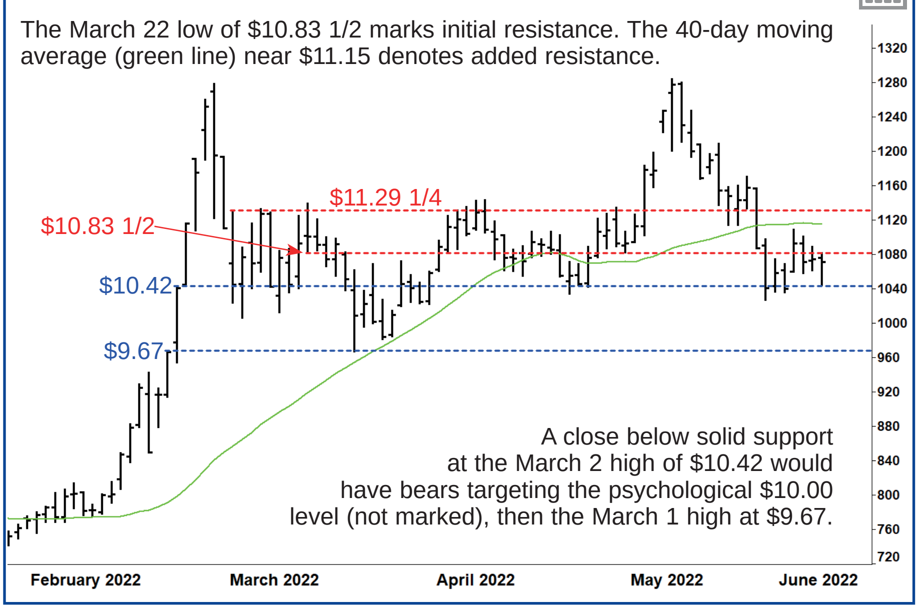
	'22 crop	'23 crop
Cash-only:	65%	10%
Hedgers (cash sales):	65%	10%
Futures/Options	0%	0%

Game Plan: Get current with advised sales. The market continues to ebb and flow with each new headline on the Ukraine export situation, but we believe a high has been posted. Seasonal pressure from harvest could weigh on the market.

WHEAT - Fundamental Analysis

SRW — July SRW posted its first weekly gain in four amid growing skepticism over renewed Ukrainian shipments. The market may see sideways near-term trade, with accelerating U.S. harvest pressure offset by tight global supplies, though there's higher potential for downside risk.

DAILY JULY SRW WHEAT

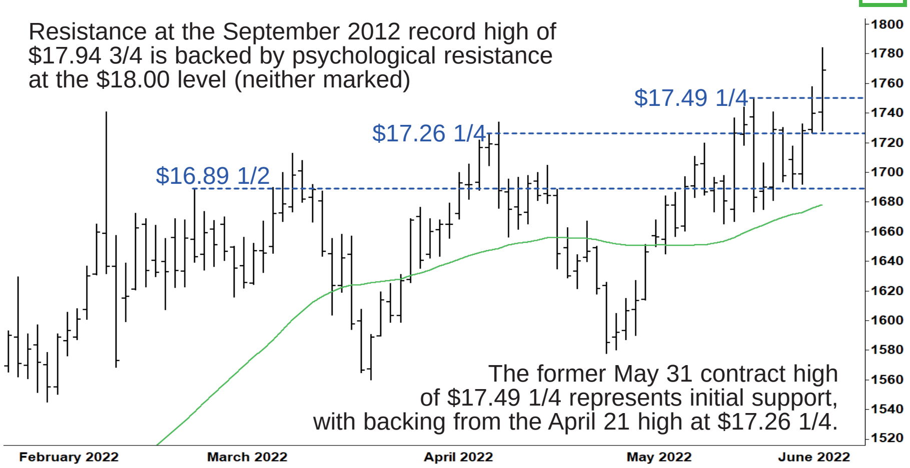


Position Monitor

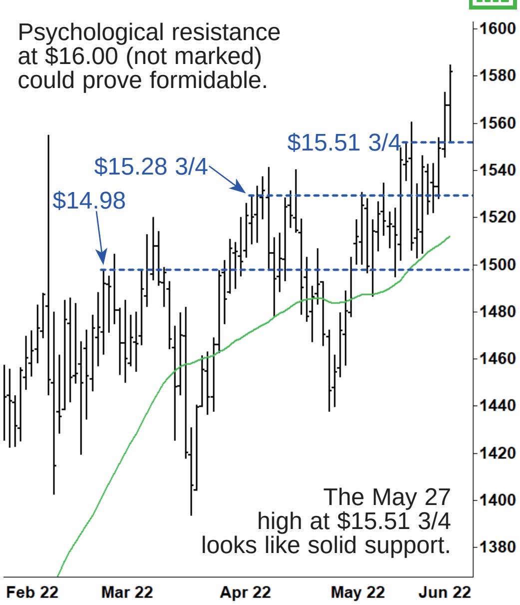
	'21 crop	'22 crop
Cash-only:	85%	50%
Hedgers (cash sales):	95%	50%
Futures/Options	0%	0%

Game Plan: Get current with advised old- and new-crop sales. Old-crop bushels are down to gambling stocks that likely will be held into mid-summer in case of a weather scare. Seasonally, the highest probability of a price peak in November soybean futures is during June, so the recent move to contract highs may entice us to forward-sell more new-crop production for harvest delivery.

DAILY JULY SOYBEANS



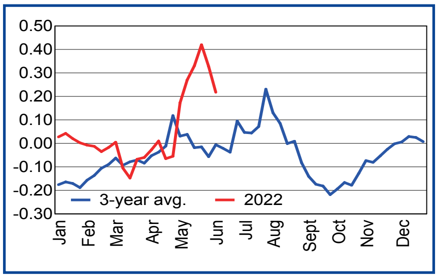
DAILY NOVEMBER SOYBEANS



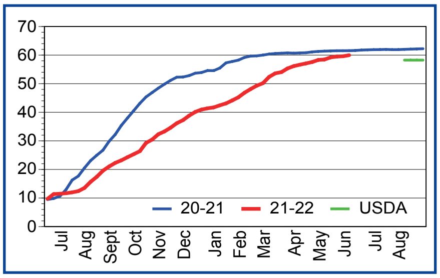
SOYBEANS - Fundamental Analysis

Short- and longer-term bullish fundamentals were evident last week, as nearby futures neared the all-time high posted in 2012 and new-crop November posted a fifth straight weekly gain. Delayed planting in the northern Midwest remains a concern, weekly export sales have been solid, soymeal is showing fresh strength and China appears poised to extend its soybean purchases. Additionally, ongoing supply uncertainty in the global vegoil trade could further shake up a market already vulnerable to sharp price swings in either direction. November futures' advance toward $16 has us looking for further opportunities to extend new-crop sales.

AVERAGE SOYBEAN BASIS (JULY)



SOYBEAN EXPORT BOOKINGS (MMT)



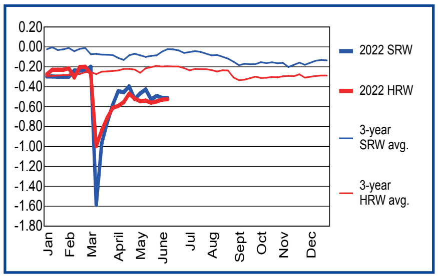
DAILY JULY HRW WHEAT

DAILY JULY HRS WHEAT

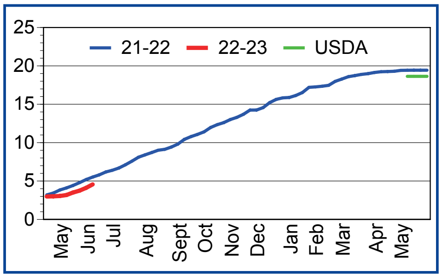
HRW — Stepped-up harvest in HRW states will keep seasonal pressure on nearby futures, though a smaller crop is already factored into prices. Longer-term, the tight global supply outlook has created potential carry opportunities, with the March 2023 futures' premium to nearbys widening to about 20¢ from zero less than a month ago.

HRS — Weather forecasts for the Northern Plains hold promise farmers will catch up to some extent on delayed seeding. Emergence will remain well behind historical norms. HRS futures may see sideways trade until the market gets a clearer picture of plantings at the end of the month, although HRW and SRW market direction will also be a factor.

AVERAGE WHEAT BASIS (JULY)



WHEAT EXPORT BOOKINGS (MMT)



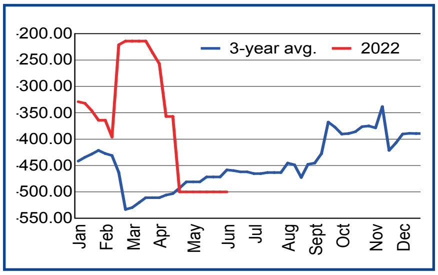
Position Monitor	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	100%	50%
Futures/Options	0%	0%

Game Plan: Get current with advised sales. Additional cash sales will wait for signs the upside is exhausted based on the December contract.

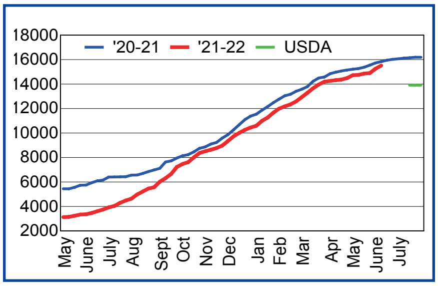
COTTON - Fundamental Analysis

Strong old- and new-crop cotton sales for the week of June 2 confirmed the midspring price drop spurred robust demand. Futures are threatening to make a fresh run at contract highs despite recession concerns and improved 2022 production prospects.

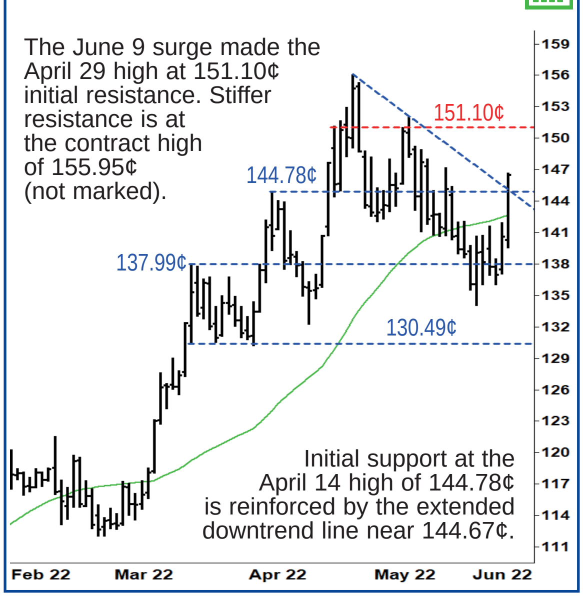
AVERAGE COTTON BASIS (JULY)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY JULY COTTON



GENERAL OUTLOOK

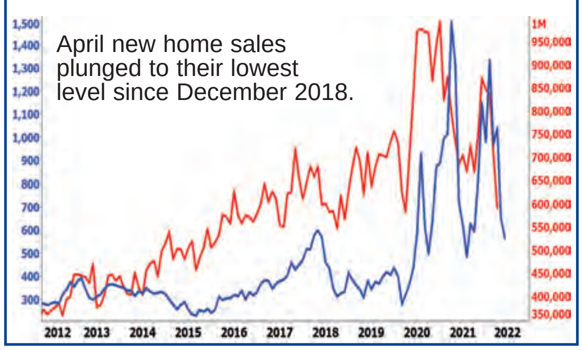
Housing: The expanding list of red flags for the U.S. economy includes several housing indicators as well as a key material used to build houses — lumber.

Front-month lumber futures last week tumbled to the lowest level since November. Currently about $573 per thousand board feet, lumber is trading at less than half its early-March levels and about a third of its peak above $1,700 in May 2021.

Lumber's nosedive reflects a pullback in housing demand, driven partly by rising interest rates. Other recent signals, such as a sharp drop in housing starts (see chart), and a 22-year low in mortgage applications have heightened concerns about a looming recession.

If a recession does happen, recent history suggests lumber prices may decline more substantially, having traded in the $300 area in early 2020.

MONTHLY LUMBER AND NEW HOME SALES



FROM THE BULLPEN **By Market Economist Dan Vaught**

We believe highly elevated retail prices for beef and pork have been limiting domestic red meat consumption and keeping a lid on cattle and hog prices. But, the export markets have become increasingly important to domestic livestock pricing.

The latest USDA data showed March and April U.S. beef exports topped 300 million lbs., well above comparable year-ago levels. Given last year's extreme wholesale market highs and the sizeable annual declines, stronger export demand isn't surprising. In contrast, wholesale U.S. pork prices easily topped 2021 values early this year before falling below those levels in April. China's full recovery from African swine fever also cut exports.

The combination of improved export demand and mediocre domestic sales still enabled the stabilized cattle market to easily top year-ago cash prices. Indeed, the strong export news and signs of active beef market clearance since Memorial Day weekend reversed recent cash and wholesale losses and powered a futures breakout. We still expect seasonal weakness this summer, but from slightly higher levels than previously thought.

The hog and pork markets are still burdened by the reduction in Chinese buying, as well as diminished demand caused by elevated retail prices. Still, the comparative strength of the cattle and beef complex seems likely to spill over into hogs and pork, especially if the cyclical reduction in supplies persists through 2022.

WATCH LIST

1	**U.S. Consumer Inflation Exp.** Expectations for the year ahead.	**MON 6/13** 10:00 a.m. CT
2	**USDA Crop Progress Report** Focus fully on crop conditions.	**MON 6/13** 3:00 p.m. CT
3	**NOPA Soy Crush** Record May crush expected.	**WED 6/15** 11:00 a.m. CT
4	**FOMC Meeting Concludes** Another 50-basis-point hike likely.	**WED 6/15** 1:00 p.m. CT
5	**USDA Export Sales Report** Slower period for export sales.	**THUR 6/16** 7:30 a.m. CT

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