



News this week...

- 2 – Weather following 1956; 2012 scenario not likely.
- 3 – Food inflation surges, beef exports record-large.
- 4 – July WASDE Report contained no bullish surprises.

Corn, soybeans and wheat retreat – Price action remained volatile in the grain and soybean markets last week. Besides the normal weather focus at this time of year, grain traders continued to closely monitor negotiations to restart Ukrainian grain exports and macro-economics. USDA's July crop reports failed to produce any bullish surprises (see [News](#) pages 2 & 4). Given the highly explosive nature of the current market factors and the amount of data traders must digest daily, we anticipate price action will remain highly volatile. Cattle futures gave back much of their early week gains as cash prices weakened for a second straight week. Summer-month lean hog futures firmed amid strengthening cash fundamentals but failed to push above the recent highs, while deferred contracts were choppy.

Hot, dry for western Corn Belt

Hot, dry weather will stress crops in the western Corn Belt and Plains this week. Rains will develop in northern and eastern areas of the Corn Belt, though they will be scattered. Favorable weather is likely across the Delta and Southeast.

La Niña expected to persist

The U.S. Climate Prediction Center gives 60% odds La Niña conditions will persist through September. That increases the likelihood of hotter- and drier-than-normal weather, especially in southern locations. But World Weather Inc. doesn't believe there will be a 2012-like drought (see [News](#) page 2).

Ukraine grain export deal close?

Ukraine, Russia, Turkey and the United Nations reportedly reached a framework deal to restart Ukrainian grain exports that could be signed this week. But Russian President Vladimir Putin will have the final say and he still views grain exports as a way Ukraine can generate money to buy weapons. Even if an agreement is signed, it will take time to ensure there are no mines in the Black Sea shipping channel and to get cargo ships to Black Sea ports.

CARB changes could impact soy use

The California Air Resources Board (CARB) is considering cutting back on the use of food oils (soy, canola) for generating Low Carbon Fuel Standard (LCFS) credits. A source told us, "A limit on biofuel produced from crops would have a relatively minor impact on soybean demand. Any change to their carbon intensity targets seems like a longer-term (post-2030) deal. Still, if they do not adopt the volume cap, CARB may revise the carbon intensity score for soybean oil, which would have a more limited impact on soybean oil demand and might even raise demand."

China to limit phosphate exports

China reportedly issued export quotas for just over 3 million metric tons (MMT) of phosphates during the second half of 2022. That would be a 45% drop from the same period last year.

Odds build for stronger Fed action

U.S. consumer inflation surged 9.1% from year-ago in June, the highest level since November 1981. U.S. producer prices jumped 11.3% annually last month. Despite the stronger-than-expected June inflation data, a 75-basis-point increase by the Fed at the conclusion of its July 26-27 monetary policy meeting seems most likely, but now there's talk of an interim meeting in August. Fighting inflation is Washington's top priority, despite negative impacts sharply tightening monetary policy could have on economic growth. That's why recessionary concerns are mounting.

The Bank of Canada last week hiked rates 100 basis points, citing increased risk of inflation becoming entrenched.

Euro, dollar at parity

Following a roughly 20% plunge over the past year-plus, the euro is on par with the U.S. dollar for the first time in 20 years. Given the aggressive stance by the Fed and a seeming lack of action by the European Central Bank, the dollar is likely headed to a premium to the euro. The surging dollar not only has export ramifications, but also could cause severe pain for countries with dollar-denominated debt.

IMF cuts U.S. GDP forecasts

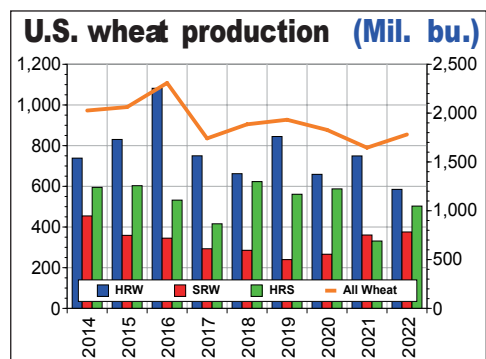
The International Monetary Fund (IMF) cut its economic growth forecast for the U.S. to 2.3% for this year from 2.9% previously. IMF highlighted the economic challenges of controlling surging inflation and signaled it will lower its global economic forecasts later this month.

China's GDP slows more than expected

The Chinese economy grew 0.4% in the second quarter, slowing sharply from 4.8% growth in the first quarter — and the slowest economic growth since a contraction in first quarter of 2020. For the first half of 2022, the economy grew 2.5%, well below Beijing's annual target of around 5.5%. Chinese officials warned about the lingering impact of Covid outbreaks, while also noting the rising "risk of stagflation in the world economy" amid tightening monetary policy overseas.

U.S. wheat crop bigger than expected

USDA's first all-wheat production estimate increased 44 million bu. from last month's projection and was 36 million bu. higher than expected at 1.781 billion bushels. USDA estimated the all-wheat yield at 47.3 bu. per acre, up 0.4 bu. from last month's projection. Harvested acres at 37.6 million acres increased 500,000 acres from last month.



USDA raised its winter wheat crop estimate by 19 million bu. from last month to 1.201 billion bu., including HRW at 585 million bu. (up 3 million bu.), SRW at

376 million bu. (up 18 million bu.) and white winter wheat at 240 million bu. (down 2 million bu.).

USDA's first survey-based other spring wheat crop estimate at 503 million bu. was 45 million bu. higher than traders expected. The first durum crop estimate at 77 million bu. was 14 million bu. higher than expected.

Global wheat production highlights

USDA and private crop forecasters made the following changes to their world wheat production estimates:

Russia: USDA increased its Russian wheat crop forecast by 1.5 million metric tons (MMT) to 81.5 MMT, which is well below private crop forecasters. Consultant IKAR raised its 2022 Russian wheat crop forecast by 1.8 MMT to 90.5 MMT.

Ukraine: USDA cut its 2022 Ukrainian wheat crop estimate by 2 MMT to 19.5 MMT on reduced harvested area.

EU: USDA cut its EU wheat crop forecast by 2 MMT to 134.1 MMT amid ongoing drought in key countries. Strategie Grains cut its 2022 EU wheat crop forecast by 1.1 MMT from last month to 123.3 MMT.

Argentina: USDA reduced its 2022 Argentine wheat crop forecast by 500,000 metric tons (MT) to 19.5 MMT.

The Rosario Grain Exchange cut its Argentine wheat crop forecast by 800,000 MT to 17.7 MMT amid reduced planted area due to dryness/drought.

Canada: USDA raised its Canadian wheat crop projection by 1 MMT to 34 MMT.

China: USDA maintained its 2022 Chinese wheat crop forecast at 135 MMT. China estimates the crop at 135.8 MMT.

Weather following 1956 trend

Weather patterns rarely repeat for any great length of time, but World Weather Inc. says this year is closely following 1956 — another year like this one in which La Niña had been around for the previous two years and a significantly negative Pacific Decadal Oscillation (PDO) was present. Both of these anomalies had been prevailing since the 22-year solar minimum occurred in 2020 (which is similar to that of 1954-1956).

World Weather reports, "June 2022 weather was quite similar to that of 1956 in the sense that most of the Plains, Midwest, Delta and southeastern states all reported mostly below-average precipitation. The pattern of June 1956 then suddenly changed in July with a wetter-than-usual pattern occurring in many of the same areas that had been drier biased in June. The same kind of pattern has evolved in the first 12 days of this month. Even though the specific details of the rain distribution in 1956 and those of July 1-12, 2022 are not exactly the same one must admit the trend change was similar and the impact was also quite the same — at least thus far."

What happened in August and September 1956? World Weather says August 1956 was still wetter biased in the Northern Plains and Upper Midwest, but there was a drier tendency that returned to portions (not all) of the lower Midwest. The southern states remained drier than usual with the southern half of the Plains, Delta and portions of the southeastern states drier biased. September 1956 then turned more notably drier throughout the Great Plains and across much of the Midwest while staying dry in the Delta. The southeastern states, however, turned wetter.

World Weather concludes, "We still don't believe there is any potential for a drought like 2012 this year and the evidence is building to keep all of the dryness in the Plains and western Corn Belt. Despite recent trade comments trying to parallel the June rainfall anomalies with 1988 and 2012, the parallel ended earlier this month with the significant rain that fell." As of now, World Weather is "most concerned over Central and Southern Plains production potential along with the Delta and the southwestern Corn Belt (including Missouri, Kansas, southwestern Iowa, Nebraska and parts of South Dakota). These areas will be closely monitored for stress and late season downward pressure on production potentials. Other pockets of dryness and moisture stress may occur from time to time in the remainder of the Midwest, but recent history has shown that crop genetics have improved greatly over recent decades and timely rainfall with no extreme heat is almost better than any other pattern."

USDA's year-end discussion in 1956 noted many crops yielded the best since 1948 (1950-55 were plagued by extended dryness). There were some record yields in 1956, despite hot, dry weather in the Plains and far western fringes of the Midwest.



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Producer Crop Comments...

Please send crop comments to editors@profarmer.com.

Buchanan/Black Hawk Cos. (northeast) Iowa:

"Crops look great — too much rain to be honest. Crops along the I-380 and Highway 20 corridors are excellent."

Washington Co. (southeast) Iowa:

"Soybeans look tremendous after receiving some rain. Corn is just staring to tassel. We've been getting some very timely showers... nothing big, but sure needed."

Monroe Co. (south-central) Iowa:

"Not saying I don't still have potential for a nice crop but I wonder if we've lost some of the top end. Seems like every day is too hot for ideal crop growth or very overcast and limited sunlight. My hay yields have been well off of normal for some reason. Been a little short of moisture, but not too much. I think cloudy weather has slowed hay growth."

Kankakee Co. (east-central) Illinois:

"Drove from Kankakee to Kansas City. Worst corn I saw was a mile from my house. Kankakee County is in serious need for moisture."

Clinton Co. (central) Indiana:

"Crops are not doing well. Indiana farmers going to have a tough year I am afraid to say."

Howard Co. (central) Indiana:

"Worst corn crop I've ever grown. If we only get the 0.4 inch or less of rain that's forecast through July 20 with heat during a highly variable pollination period, it would knock us down another 30 bu. per acre."

White Co. (northwest) Indiana:

"Crops look ok here but one inch of rain a month won't cut it. We are going to struggle to get to APH."

Carroll Co. (north-central) Indiana:

"We still have cracks in the ground you can put your hand into after receiving close to an inch of rain. If the long-term weather models verify, people will be surprised at the crops in north-central Indiana — and not in a good way."

Allen Co. (northwest) Ohio:

"We've got favorable weather for crops after soaking rain last week and lower temperatures this week. Lots of hot weather coming for late July though... I hope the core of the ridge stays far enough to the west to keep enough rain coming here to avoid major moisture stress."

Allen Co. (northwest) Ohio:

"Our crops are awfully late and very dry."

Manitowoc Co. (east-central) Wisconsin:

"Drove from Chicago to St. Louis today (July 10) on I-55. Corn looks like it's in great shape."

Allegheny Co. (southwest) Pennsylvania:

"Drove through western Pennsylvania and eastern Ohio. Corn is at best waist high and in many cases knee high. Gets better in southern Ohio and south. Much better in Tennessee and Alabama, with most of the corn shoulder high or taller."

Food inflation at 41-year high

Food prices jumped 10.4% from year-ago in June — the biggest annual gain since February 1981. Inflation at the grocery store level in June was 12.2% higher than the previous year compared to a 7.7% increase for food consumed away from home (restaurants). The data showed broad price increases across most categories of food, with especially sharp increases in butter, sugar, sweets and flour.

The only major grocery index to decline in June was for meats, poultry, fish and eggs, which fell 0.4 point over the month as the indexes for beef and pork declined. Still... compared to year-ago, grocery store prices rose 4.1% for beef, 9.0% for pork and 18.6% for chicken. Much of the year-over-year increase in those broad categories was driven by less expensive cuts, signaling consumers are shifting their buying patterns amid the strong food inflation.

Beef exports hit all-time high in May

The U.S. exported 321.0 million lbs. of beef in May, an all-time record, eclipsing the previous high from May of last year. Beef exports increased 17.0 million lbs. (5.6%) from April and 6.7 million lbs. (2.1%) from last year's record. Through the first five months of this year, the U.S. shipped 1.471 billion lbs. of beef, an 81.5-million-lb. (5.9%) increase from the same period last year. Beef exports to China surged 40.3%.

Given concerns about domestic beef demand amid surging prices, focus is on beef exports. If that pace dramatically slows, it will back up product on the domestic market and be cause for concern across the cattle/beef industry.

U.S. pork exports totaled 548.7 million lbs. in May, up 20.0 million lbs. (3.8%) from April but 136.0 million lbs. (19.9%) less than last year. Through the first five months of this year, pork exports at 2.618 billion lbs. dropped 644.9 million lbs. (19.8%) from the same period last year, driven by a 71.5% plunge in shipments to China.

Exports raised for beef, cut for pork

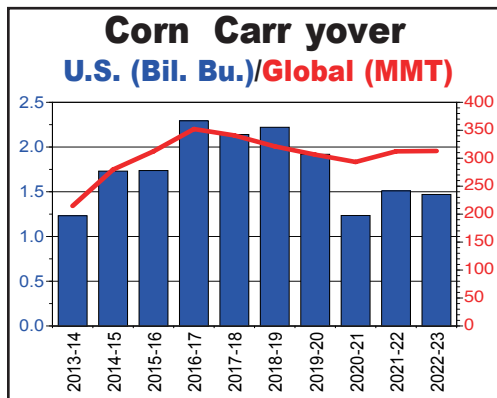
USDA raised its forecast for beef exports this year by 75 million pounds. It now forecasts 2022 beef exports at 3.496 billion lbs., which would be up 1.6% from last year. Beef exports are expected to fall 14.8% next year. USDA cut this year's pork export forecast by 45 million lbs. to 6.576 billion lbs., which would be down 6.4% from last year. USDA forecasts another 0.9% decline in pork shipments next year.

China meat imports inch higher

China imported 603,000 MT of meat in June, up 1.5% from May but down nearly 19% from last year. Through the first six months of this year, China imported 3.5 MMT of meat, down 31.9% from the same period last year, driven by a sharp reduction in arrivals of pork.

No bullish surprises in U.S., global ending stocks

by Editor Brian Grete



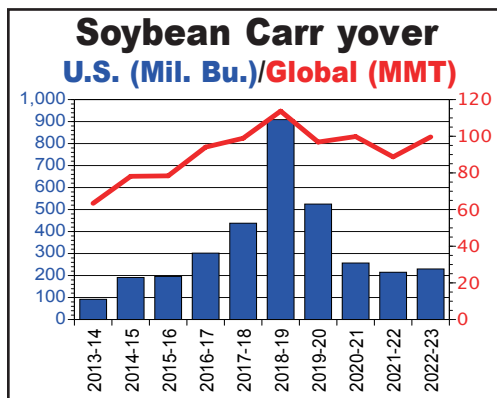
CORN — USDA increased old-crop corn carryover 25 million bu. from last month to 1.510 billion bushels. The only change was a 25-million-bu. cut to feed and residual use to 5.6 billion bushels.

For 2022-23, USDA raised carryover by 70 million bu. to 1.470 billion bushels. On the supply-side of the balance sheet, USDA increased harvested acres based on the June Acreage Report, which boosted projected production by 45 million bushels. Along with the rise in beginning stocks (old-crop carryover), total supplies rose 70 million bushels. There were no changes to projected use.

Our corn ending stocks forecast is 1.510 billion bu. for 2021-22 and 1.565 billion bu. for 2022-23.

- USDA 2021-22 price: \$5.95, unchanged from last month; 2022-23: \$6.65, down 10¢.

Global corn carryover: 312.3 million metric tons (MMT) for 2021-22, up 1.4 MMT from June; 312.9 MMT for 2022-23, up 2.5 MMT from last month.



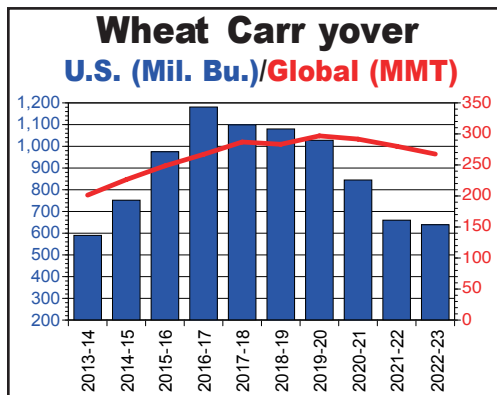
SOYBEANS — USDA raised old-crop soybean carryover 10 million bu. from last month to 215 million bushels. USDA cut estimated crush 10 million bu. (to 2.205 billion bu.) and made offsetting 3-million-bu. adjustments to seed use (down) and residual use (up).

For 2022-23, USDA cut ending stocks 50 million bu. to 230 million bushels. It cut estimated harvested bean acres 2.6 million from last month based on the June Acreage Report, which lowered the projected crop by 135 million bushels. USDA reduced crush 10 million bu. (to 2.245 billion bu.) and exports 65 million bu. (to 2.135 billion bu.).

Our soybean ending stocks forecast is 215 million bu. for 2021-22 and 230 million bu. for 2022-23.

- USDA 2021-22 price: \$13.35, unchanged from June; 2022-23: \$14.40, down 30¢.

Global soybean carryover: 88.7 MMT for 2021-22, up 2.6 MMT from last month; 99.6 MMT for 2022-23, down 850,000 metric tons (MT) from June.



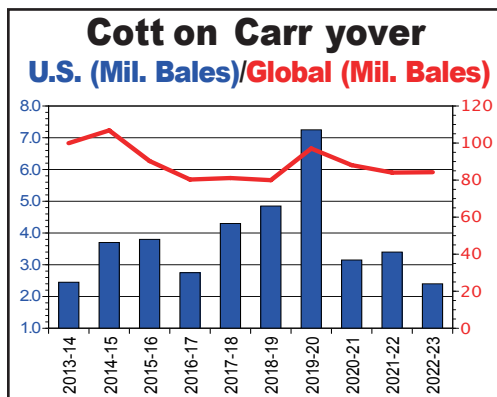
WHEAT — Old-crop ending stocks were set at 660 million bu. by June 1 stocks.

For 2022-23, USDA raised projected ending stocks 12 million bu. from last month to 639 million bushels. Total supplies were raised 39 million bu. and use was increased 27 million bushels.

Our wheat ending stocks forecast is 665 million bu. for 2022-23.

- USDA 2021-22 price: \$7.63, down 7¢ from June; 2022-23: \$10.50, down 25¢

Global wheat carryover: 280.1 MMT for 2021-22, up 700,000 MT from last month; 267.5 MMT for 2022-23, up 670,000 MT from June.



COTTON — USDA left old-crop ending stocks at 3.4 million bales.

For 2022-23, USDA cut 1 million bales from the crop and 500,000 bales from projected exports (to 14 million bales) to drop ending stocks by 500,000 bales.

Our cotton ending stocks forecast is 3.5 million bales for 2021-22 and 2.5 million bales for 2022-23.

- USDA 2021-22 price: 92¢, unchanged from June; 2022-23: 95¢, unchanged.

Global cotton carryover: 84.0 million bales for 2021-22, up 1.1 million bales from June; 84.3 million bales for 2022-23, up 1.5 million bales from last month.

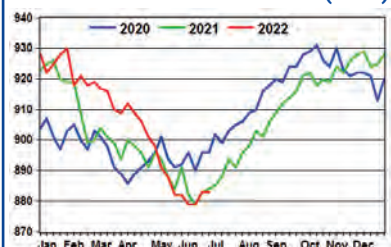
CATTLE - Fundamental Analysis

Choice beef cutout remained around \$268.00 last week, with post-Independence Day strength suggesting good Memorial Day beef clearance was repeated. The underlying suggestion that tight market-ready cattle supplies are being met by solid demand powered a bullish futures breakout. The feedlot situation looks supportive, especially with aggressive spring marketings having slashed dressed weights from a record high in February to below the readings of the past two years in late June. Lower prices in the Southern Plains seem likely to slowly level-up to elevated northern quotes.

Position Monitor

Game Plan:	Feds Feeders	
Live cattle futures remain at discounts to the cash market and feedlots are extremely current. That requires you be selective with hedges.	III'22	0%
	IV'22	0%
	I'23	0%
	II'23	0%

WEEKLY DRESSED WEIGHTS (LBS.)



DAILY AUGUST LIVE CATTLE



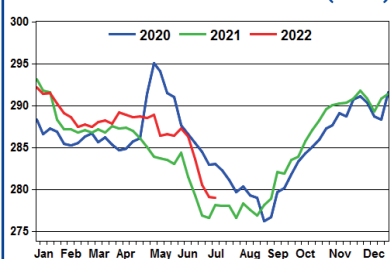
HOGS - Fundamental Analysis

After struggling through spring, the pork cutout surged almost \$10.00 in the 10 days following Independence Day, reaching a new high for the year last week. Hog slaughter and pork production are clearly near their lowest levels of the year, but both wholesale beef and pork are signaling robust consumer demand. This supports ideas red meat demand holds up well during recessionary times. Surging summer futures indicate traders expect sustained short-term strength, with the anticipated August supply increase having less negative impact than previously thought.

Position Monitor

Game Plan:	Lean Hogs	
Be prepared to hedge an extended price rebound in fall-and/or winter-month hogs. Seasonally, the cash market should weaken as slaughter supplies rise.	III'22	0%
	IV'22	0%
	I'23	0%
	II'23	0%

WEEKLY LIVE HOG WEIGHTS (LBS.)



DAILY AUGUST LEAN HOGS



FEED

Feed Monitor

Corn

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

Corn Game Plan: You are hand-to-mouth on corn-for-feed needs. Current price levels are attractive for extending coverage but we'll wait on signs the downside is exhausted first.

Meal

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

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 AUGUST 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 new-crop hedges in December corn futures as there is more near-term downside risk. Old-crop gambling stocks will be held through pollination in case a weather threat arises. Additional new-crop cash sales will wait for an extended price recovery. Traders have removed much of the premium from the market, but it may take a summer weather threat to recharge bulls.

DAILY DECEMBER CORN

Bulls couldn't sustain the move above initial resistance at the July 1 low of \$6.04 1/4 last week. Tougher resistance persists at \$6.31.



DAILY MARCH CORN

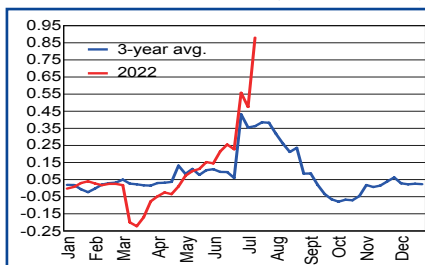
The July 1 low at \$6.10 3/4 marks initial resistance. It's backed by the March 29 low at \$6.35.



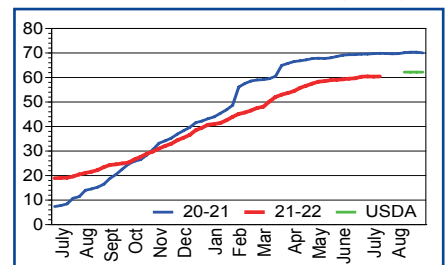
CORN - Fundamental Analysis

Corn futures have recently been swimming against the bearish tide, with USDA reports pointing to larger supplies and outside markets implying weakening demand. And yet, prices have stabilized above their early-July lows as traders watch for developments during the crop's critical July pollination period. Soil moisture seems adequate in many areas, but whether that will be enough to avoid significant damage amid forecasts for elevated temps and dryness remains to be seen. Spreading drought in several areas outside the core Corn Belt states may attract buying. A weather-scare rally would likely trigger final old-crop sales.

AVERAGE CORN BASIS (SEPTEMBER)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

	'22 crop	'23 crop
Cash-only:	85%	30%
Hedgers (cash sales):	85%	30%
Futures/Options	15%	0%

Game Plan: Get current with advised 2022-crop hedges in December SRW futures. Wait on an extended price rebound to advance cash sales. Seasonal pressure should start to ease, though bears have the strong upper hand.

DAILY DECEMBER SRW WHEAT

Stiff resistance has emerged at the July 1 low of \$8.57 1/4. Resistance at the psychological \$9.00 level (not marked) looks just as stiff.



WHEAT - Fundamental Analysis

SRW — We suspect an agreement to ship Ukraine's wheat out of the Black Sea will prove unworkable amidst the war with Russia, but talk that such a deal was imminent pressured wheat. Weekly export sales in excess of 1 million metric tons failed to attract buying. The trend is still lower.

Position Monitor

	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	95%	50%
Futures/Options	0%	10%

Game Plan: Get current with advised new-crop hedges in November soybean futures as there is more near-term downside risk. We'll carry remaining old-crop inventories into the critical summer weather period for soybeans but will look to finish sales on an extended corrective recovery. With half of the crop forward-sold, we'll wait on an extended price rally to increase new-crop cash sales.

DAILY AUGUST SOYBEANS

The June 23 low at \$15.00 represents psychological resistance. A close above that level would face tougher resistance extending from the April 1 low at \$15.28 1/2.



DAILY NOVEMBER SOYBEANS

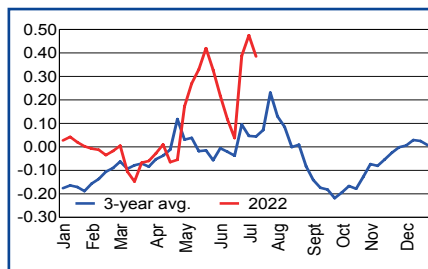
Initial resistance at the July 5 high of \$13.74 1/2 is backed by the April 1 low at \$13.94.



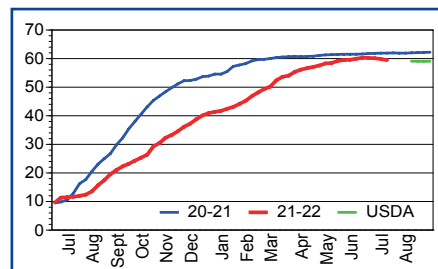
SOYBEANS - Fundamental Analysis

Current weather outlooks for the critical August pod setting and filling period are somewhat worrisome, since temperature forecasts are warmer than normal and precipitation is leaning toward the low end. Those risks are likely to support the market in the coming weeks. Growing dryness outside the Corn Belt may also prove more supportive for beans than corn. However, three straight weeks of net export sales reductions and a downward revision to sales for the week of June 23 are ringing alarm bells. The ongoing U.S. dollar advance and sharply lower prices are likely causing those reductions. Bulls have to hope those buyers return in the weeks ahead.

AVERAGE SOYBEAN BASIS (AUGUST)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY DECEMBER HRW WHEAT

The July 6 high puts resistance at \$8.93 1/2.

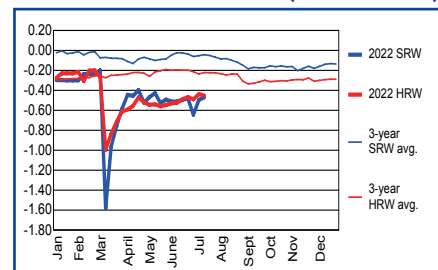


DAILY SEPTEMBER HRS WHEAT

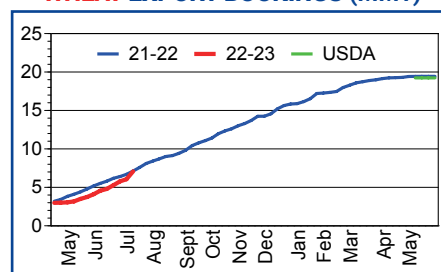
Resistance is at the July 1 low of \$9.46.



AVERAGE WHEAT BASIS (SEPTEMBER)



WHEAT EXPORT BOOKINGS (MMT)



HRW — The 2022-23 U.S. HRW production forecast rose just 3 million bu. in last week's report, but when combined with other increases, maintained downward pressure on prices. Harvest pressure is likely receding, but some outside shift may be needed to reverse the downtrend. A weather-driven rally in corn or beans is the best candidate.

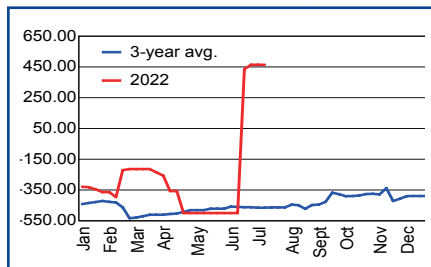
HRS — USDA boosted estimates of U.S. and Canadian HRS production last week, amplifying bearish prospects. Look for the HRS harvest to begin in some areas next month. But excessive spring rains in the northwestern Corn Belt seem likely to delay and/or extend the harvest in that region. Drought doesn't seem to be a threat.

Position Monitor

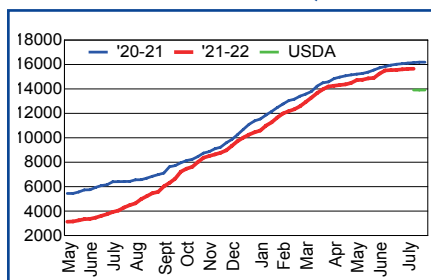
	'21 crop	'22 crop
Cash-only:	100%	60%
Hedgers (cash sales):	100%	60%
Futures/Options	0%	0%

Game Plan: Get current with advised sales. Be prepared to add short-term hedges on a strong corrective bounce or breakdown at last week's lows.

AVERAGE COTTON BASIS (OCTOBER)



COTTON EXPORT BOOKINGS ('000 BALES)



COTTON - Fundamental Analysis

USDA slashed the 2022 U.S. cotton crop by 1.0 million bales and chopped 500,000 bales from projected carryout, now at 2.4 million bales. Having cotton futures ignore the bullish nature of those shifts shows how recessionary fears are dominating traders' sentiment.

GENERAL OUTLOOK

Shipping The Baltic Dry Index (BADI), which tracks the charges for shipping dry bulk goods such as grains, cement and ore, has recently declined from a May high around 3,345. That's well below last year's peak near 5,525 and vastly below the 2008 record over 11,000.

The reduction from fall 2021 seemingly indicates a significant portion of the global economy's supply-chain problems have been alleviated, along

with some of the shipping industry's various bottleneck issues.

However, we suspect the BADI's latest downturn reflects reduced activity resulting from demand destruction caused by the recent inflation surge. Thus, the drop appears to be another warning of an ongoing/forthcoming economic recession. The index could move even lower, especially if fears of a summer railroad strike are fulfilled.

FROM THE BULLPEN By Market Consultant Dan Vaught

Recent USDA reports have adjusted its 2022-23 projections for the minor crops. Rice plantings were revised down 109,000 acres to 2.343 million acres, which marks a 189,000-acre decline from 2021. The 2022 production forecast was cut to 174.5 million cwt. from 182.7 million in June. Ending stocks for 2022-23 are now seen at 35.5 million cwt., up from 34.2 million in June and down from 42.0 million in 2021-22. Farm prices for 2022-23 are expected to average \$18.20, versus the old-crop mean at \$15.80.

In March USDA estimated 2022 sorghum plantings at 6.205 million acres, 1.1 million below the 2021 total. It revised acreage up by 100,000 in June, with the various changes putting the 2022 sorghum production forecast at 372 million bu. in

last Tuesday's report. That's down 9.0 million from June and 76 million bu. below the 2021 total. Carryout for 2022-23 is now projected at 30 million bu., down 23 million bu. (-43%) annually. USDA sees the average new-crop farm price at \$6.55, up from \$5.95 in 2021-22.

Barley plantings were boosted 105,000 to 3.046 million acres in June, a 386,000-acre rise from 2021. The yield forecast was cut 2.4 bu. to 73.0 bu. per acre from June, resulting in a slightly lower annual production increase of 57 million to 175 million bu. Old-crop carryout was cut 18 million bu. from June, contributing to the 24 million bu. monthly drop in 2022-23 ending stocks. Farm prices are projected to average \$7.35, up from \$5.31 this year.

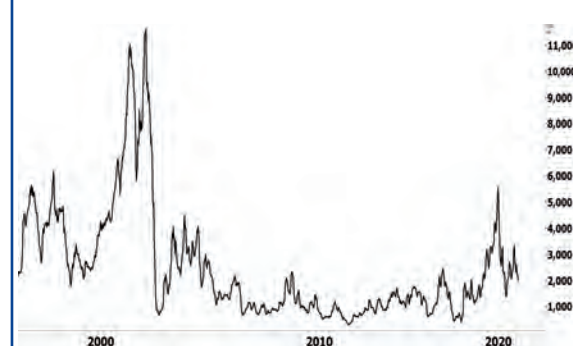
DAILY DECEMBER COTTON

Psychological resistance at the 90.00¢ level (not marked) is backed by 91.20¢.



The long-term chart suggests support may not emerge until prices reach the psychological 80.00¢ (not shown).

WEEKLY BALTIC DRY INDEX



WATCH LIST

1	USDA Crop Progress Report Corn ratings mean more in July.	MON 7/18 3:00 p.m. CT
2	USDA Export Sales Report Did end-users buy the break?	THUR 7/21 7:30 a.m. CT
3	USDA Cattle Inventory Rpt. July 1 herd likely down around 1%.	FRI 7/22 2:00 p.m. CT
4	USDA Cattle on Feed Report Lighter placements expected.	FRI 7/22 2:00 p.m. CT
5	USDA Cold Storage Report Gauge of meat demand in June.	FRI 7/22 2:00 p.m. CT

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