



News this week...

- 2 – Plunging crop ratings suggest sub-par yields.
- 3 – EPA issues disappointing RFS mandates.
- 4 – Unusual dynamic in U.S./China trade relations.

Price volatility surges – December corn futures surged to the highest level since last fall and November soybeans reached the best price since early spring last week, though both markets faced a sharp late-week pullback. With weather traders' primary focus, volatility will likely remain extreme as prices ebb and flow with each updated model run and forecast. Wheat futures actively followed the corn and soybean markets – both to the upside initially and then to the downside. With winter wheat harvest underway, wheat likely needs support from corn and soybeans to avoid seasonal pressure. Live cattle futures consolidated last week despite weakness in the cash market as they already had big discounts. The seasonal rally in hog futures stalled as traders narrowed premiums to cash in summer-month contracts.

Improved rain chances for Corn Belt

Spotty rains are expected across the Corn Belt this week, with hot temps likely in southern areas of the region. The key for the first week of July will be a tropical storm that may move into the Gulf of Mexico and result in improved rainfall chances for the Corn Belt. However, World Weather Inc. says, "Confidence in a storm verifying is very low" at this time.

Corn, bean drought areas expand

As of June 20, USDA estimated drought (D1 or higher) covered 64% of corn production areas and 57% for soybeans. Over the past month, the drought areas have exploded 38 and 37 percentage points, respectively, for corn and soybeans. The situation isn't as severe for spring wheat, but drought now covers 15% of that area.

Acreage, Grain Stocks data June 30

USDA's Acreage and Grain Stocks Reports have a history of producing major market moves that can set price trends through summer. Barring any major bearish surprises, focus this year will remain on weather as markets head into the post-July 4 timeframe that typically either accelerates the current trend or reverses the price pattern.

'Financial chaos' for renewable diesel?

EPA's new biodiesel mandates through 2025 are significantly lower than the renewable diesel industry's projected production capacity (see *News* page 3). This discrepancy might lead to "significant financial chaos," the *Wall Street Journal* noted, as it would affect the value of blender credits that producers depend on to make their products profitable.

EU plans to ease GMO restrictions

An EU draft regulation proposes that many modified plants be approved as conventional rather than undergo the existing GMO regime. EU officials believe these new techniques are critical for maintaining crop yields while contending with changing weather patterns and reducing the use of pesticides, fertilizers and other chemicals.

Biden's 'dictator' label angers China

China lashed back after President Joe Biden referred to Chinese President Xi Jinping as a "dictator," saying the remarks "open political provocation." Biden's comments came just a day after Secretary of State Antony Blinken visited Beijing to stabilize relations with China (see *News* page 4).

'Bidenomics'... the administration's trade challenge

The Biden administration's foreign policy is based on limiting China's choke-point in supply chains instead of new trade deals. U.S. Trade Representative Katherine Tai argues free trade increased rather than decreased China's influence over the world's production networks. The administration believes if managed properly, trade can help to create more diverse and secure options for the United States.

Stabenow's farm bill funding solution?

Senate Ag Chair Debbie Stabenow (D-Mich.) opened the door to shifting money from the Inflation Reduction Act (IRA) to more general spending in the upcoming farm bill, as long as it remains climate-focused. Lawmakers can reshuffle the roughly \$15 billion remaining from IRA into the farm bill, and it will be added to the permanent baseline. Stabenow could leverage this to get other things she wants in a farm bill – including moving some of the IRA funding to Title 1 rather than shift all of it to conservation (Title 2).

Prop 12 implementation modified

California modified provisions under its Prop 12 law. Under the "modification" whole pork meat products produced from pigs slaughtered by July 1, 2023, may continue to be sold in California through year-end. Any product from hogs slaughtered after July 1 must meet the previous requirements.

Livestock: Extend meal coverage

On June 23, we advised livestock producers to cover remaining June soy meal needs in the cash market. We also advised covering half of your soy meal needs for both July and August in the cash market.

Corn, soybean crop ratings plunge

As of June 18, USDA rated 55% of the corn crop as “good” to “excellent,” down six percentage points from the previous week. The portion of crop rated “poor” to “very poor” increased four points to 12%.

USDA rated 54% of the soybean crop as “good” to “excellent,” down five points from the previous week. The amount of crop rated “poor” to “very poor” increased three percentage points to 12%.

On the weighted *Pro Farmer* Crop Condition Index (CCI; 0 to 500-point scale, with 500 representing perfect), the corn crop plunged 14.4 points to 346.5 while the soybean crop fell 10.6 points to 339.9. The corn CCI rating fell in 16 of the top 18 production states, led by a nearly 4-point drop in Illinois and just over a 3-point decline in Iowa. Illinois and Iowa also led the soybean CCI rating decline. CCI ratings are now 29.7 points (7.9%) below year-ago for corn and 26.1 points (7.1%) below for soybeans.

Corn, soybean crop ratings suggest sub-par yields

Since USDA began its national crop condition ratings in 1986, there have been six other years in which the “good” to “excellent” rating for corn was below 60% on this date. In those years, the corn yield has been below average all but one — 1992 when corn produced a then-record yield.

For soybeans, there have been 11 other years when the “good” to “excellent” rating on this date was below 58%. Nine of those years produced a sub-par yield, while two times — 1990 and 1992 had record yields.

Bottom line: Mid-June crop condition ratings typically don’t correlate well to final yields, but our research shows there are greater than 80% odds of below-average yields.

Consultant again cuts yield forecasts

Crop consultant Dr. Michael Cordonnier lowered his corn yield another 1 bu. to 177 bu. per acre. He now projects the corn crop at 14.77 billion bushels. Cordonnier trimmed his soybean yield by 0.5 bu. to 51 bu. per acre, lowering his production forecast to 4.44 billion bushels.

Spring wheat under stress, too

USDA rated 51% of the U.S. spring wheat crop as “good” to “excellent,” down nine percentage points from the previous week. The portion of crop rated “poor” to “very poor” increased five points to 12%.

The spring wheat CCI rating plummeted 15.9 points to 340.7 and was 23.5 points (6.4%) below year-ago for the date.



Brazil corn crop raised, Argy beans cut

Recent rains in Brazil will help later developing safrinha corn. As a result, Cordonnier raised his Brazilian corn crop estimate by 1 million metric tons (MMT) to 130 MMT. He cut his Argentine soybean crop estimate 1 MMT to 21 MMT, noting double-crop soybean yields were especially disappointing.

Brazil beans flooding Chinese ports

A flood of Brazilian soybean cargoes into China is weighing on soymeal purchases and may curb Chinese buying of beans later in the year. After a record 12 MMT of soybean arrivals in May, 11 MMT in shipments are expected to arrive at Chinese ports this month. July’s soybean arrivals also are expected to be near 11 MMT, with another 10.5 MMT booked for August. Most of the summer shipments will originate from Brazil.

While soybean arrivals are active, soymeal demand is weak following months of losses for hog farmers. Soymeal demand is not expected to improve during summer. As a result, feedmakers are limiting their soymeal inventories, which will back up supplies at ports and could lead to some cancellations or deferring delivery on some shipments.

Argentina actively buying Brazil beans

Brazilian soybean exports to Argentina in May reached nearly 1 MMT, making it the second biggest destination behind China. USDA forecasts Argentina will import 8.7 MMT of soybeans in 2022-23 to compensate for major production losses due to drought. Some industry sources say Argentine soybean imports could top 9 MMT, with the bulk of the supplies coming from Brazil and Paraguay.

Russian wheat crop forecast lowered

SovEcon cut its 2023 Russian wheat crop forecast by 1.2 MMT to 86.8 MMT due to worsening crop conditions for spring wheat in the main growing regions — Siberia, the Volga Valley and the Urals. Soil moisture has been declining since late May and in many cases fell to the lowest level in recent years. That was only partially offset by improved production potential in the South, where yields could be record-high.

SovEcon cut its total grain/pulses production forecast by 2.3 MMT to 134 MMT.

India’s wheat crop smaller than pegged

India’s ag ministry estimated the country’s wheat production at a record 112.7 MMT. But industry sources say production was likely closer to 101 MMT to 103 MMT, noting poor availability of supplies for the domestic market. An India-based wheat trader told *Reuters* the Indian government may need to allow duty-free imports by late this year because of its overestimation of the crop.

Producer Crop Comments...

Please send crop comments to editors@profarmer.com.

Buchanan Co. (northeast) Iowa:

"Thankful for what rains we received... the 0.7 inch will buy us several days."

Buchanan Co. (northeast) Iowa:

"We ended up with 2.5 inches of rain at our house. Gauge said 1.5 inches at our farm two miles north. Very fortunate as the showers were hit and miss."

Carroll and Gutherie Cos. (west-central) Iowa:

"The 2.4 inches of rain we received June 17 should turn our crops around! Very thankful!"

Cherokee Co. (northwest) Iowa:

"Received 1.5 inches of rain on June 17. Corn looks awesome around here."

Henry Co. (northwest) Illinois:

"Had a great Father's Day... the best gift of all was 1.4 inches of rain on all but one of our farms. Truly blessed!"

Mercer Co. (northwest) Illinois:

"We had best rain since planting at 0.575 inch. Grateful for no hail or wind. We've had just short of inch total since planting."

Richland Co. (southeast) Illinois:

"We had another model-breaker with 0.8 inches of rain here. That's the second rain event that produced more than forecast. We'll take it."

Putnam Co. (west-central) Indiana:

"Our corn is still in the ballgame, but I feel like acres planted on April 13 should be over knee-high by now."

Polk Co. (east-central) Nebraska:

"With the hot temps forecast, I don't think our dryland corn will make it through the week."

Washington Co. (east-central) Nebraska:

"Not only are forecast rainfall amounts not verifying when the event actually happens, the radar amounts are also over estimating total actual rainfall in our area. The radar even wants us to get a good rain."

Washington Co. (east-central) Colorado:

"Drove to northeast Nebraska for Father's Day. Saturday was cool and the corn looked ok. On Sunday, it was around 90 degrees and the corners were showing stress. It's not too late if it rains a bunch. Dryland acres in northeast Nebraska are really a mixed bag with poor stands. Beans after cover crops look like garbage with big areas with no stand."

Northwest Kansas:

"We have 80% of our dryland acres left to plant. When does a guy say the heck with it and chalk it up to being too wet. We've had 10 inches since May 10. Our 2022 total was 10 inches."

Reno Co. (south-central) Kansas:

"Drove to Kansas City and back. While ideally crops would be taller with more canopy, I can't say I saw anything that was really suffering."

EPA issues disappointing RFS levels

EPA finalized its biofuel blending mandates for 2023 through 2025 at levels that were lower than hoped by the ag industry for both corn-based ethanol and biodiesel.

RFS mandates	2023 bil. gal.	2024 bil. gal.	2025 bil. gal.
Conventional renewable fuel	15.00	15.00	15.00
Cellulosic	0.84	1.09	1.38
Biodiesel	2.82	3.04	3.35
Advanced biofuel	5.94	6.54	7.33
Total renewable fuel	20.94	21.54	22.22
Supplemental standard	0.250	NA	NA

In December, EPA proposed conventional renewable biofuels mandates of 15.25 billion gallons for 2023-25. Total renewable fuels were proposed at 20.82 billion gallons for 2023, 21.87 billion gallons for 2024 and 22.68 billion gallons for 2025.

The biomass-based diesel requirements are well below the increase sought by producers. The main reason why EPA went light on biodiesel and renewable diesel mandates: The food vs. fuel debate was highly discussed, sources advise.

EPA says SAF will reduce renewable diesel production

EPA assumes there will be rising production of sustainable aviation fuel (SAF), but that will cut into renewable diesel production. "Historically, greater incentives have been available for renewable diesel production, which has caused many of these production facilities to maximize renewable diesel production," EPA explained. "In the near term, we expect that any increase in SAF production will result in a corresponding decrease in renewable diesel production."

EPA noted the Energy Information Administration "currently projects renewable diesel production capacity could reach nearly 6 billion gallons by 2025, though it is possible that not all these announced projects will be completed, and not all of those that are completed will necessarily produce renewable diesel in the 2023-25 timeframe."

EPA will stop granting SREs

EPA said the final volume requirements "are based on our projection that no gasoline or diesel produced by small refineries will be exempt from RFS requirements pursuant to CAA [Clean Air Act]" based on the agency's current statutory requirements. And if that were to change in the future, EPA said it would not alter the requirements spelled out in this rule. "Even were EPA to grant an SRE in the future for 2023-2025, we do not plan to revise the percentage standards to account for such an exemption," the agency stated.

U.S. & China need each other, but contentious issues remain

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

In a recent meeting with U.S. Secretary of State Antony Blinken, Chinese President Xi Jinping stated that Beijing will not challenge or replace the U.S., but emphasized the need for the U.S. to respect China. Blinken's visit to China, the first by a senior U.S. official in five years, is seen as an effort to stabilize the relationship between the two countries, which many fear could escalate into conflict.

A thaw in U.S./China relations, not a reset

Blinken characterized his face-to-face talks as: "Important." "Robust." "Very candid, very in-depth and in places constructive." He did not use the word "breakthrough," and there was no agreement or detail on the most contentious issues: Restrictions on Chinese access to advanced technologies; accusations the U.S. and its allies want to contain Beijing's ambitions; Taiwan; and the war in Ukraine. Blinken was unable to get China to agree to reopen military-to-military channels, as fears over a possible accidental military encounter and escalation grow.

The issue of Taiwan

Blinken said, "We do not support Taiwan independence. We remain opposed to any unilateral changes to the status quo by either side. We continue to expect the peaceful resolution of cross-strait differences. We remain committed to meeting our responsibilities under the Taiwan Relations Act, including making sure that Taiwan has the ability to defend itself." Some right-wing politicians and pundits responded with outrage. But Blinken was restating long-standing American policy under presidents of both parties. No administration has endorsed Taiwan declaring independence.

Why did Xi agree to meet with Blinken?

China watchers offer different responses. Several said Blinken may have signaled at least some existing U.S. sanctions on China would be lifted in the months ahead. Some analysts in Washington believe that dropping some Trump-era tariffs on Chinese goods could serve as a confidence-building measure between the two sides, as these tariffs have harmed American consumers. However, it is uncertain if the White House is willing to face potential backlash from Republicans for being perceived as too lenient towards China's Communist regime. Others say Xi is becoming increasingly concerned about China's economy and needs the U.S. and other countries to accelerate trade and visits to his country.

U.S./China trade relationship

Blinken stressed the U.S. did not want to jeopardize the enormous bilateral trade relationship between the countries. "We don't want to decouple, we want to de-risk," he said, gesturing to U.S. export controls on sensitive technologies to China, such as advanced semiconductors.

China's focus is on Indo-Pacific region

China's top diplomat, Wang Yi, called on the U.S. to revisit its Indo-Pacific strategy before the Asia-Pacific Economic Cooperation (APEC) summit in November. He sees the strategy as a move to instigate a great power rivalry in the region and create confrontation between different camps. The area is crucial to China's strategic interests.

A step back... Chinese spies in Cuba

Beijing is reportedly planning to build a military training facility in Cuba. There is alarm in Washington that Chinese troops could be stationed 100 miles off the U.S. coast.

Preventing purchases of U.S. farmland

Several U.S. states are accelerating efforts to prevent China and other "foreign adversaries" from purchasing farmland. Proponents argue this is necessary to protect food security, military bases and other sensitive installations. So far, at least eight states have passed similar laws, and proposals are under consideration in over 24 states.

More U.S./China talks/visits ahead

"Progress is hard: It takes time. It's not the product of one visit," said Blinken. The improving dialogue could set the stage for a possible face-to-face meeting between Presidents Xi and Biden at the APEC forum. The next phase of top-level diplomacy between the two countries, perhaps starting in early July, may involve visits by Treasury Secretary Janet Yellen, Commerce Secretary Gina Raimondo and U.S. climate envoy John Kerry.

Bottom line: China has issues that require help

China faces major structural issues such as debt, deflation and slowing growth, which will be hard to address under current economic and geopolitical climates. Countries are becoming wary of Chinese investments, resulting in a shifting global landscape. This change might seem slow at first, but could eventually leave markets grappling with fallout from the end of China's economic boom.

CATTLE - Fundamental Analysis

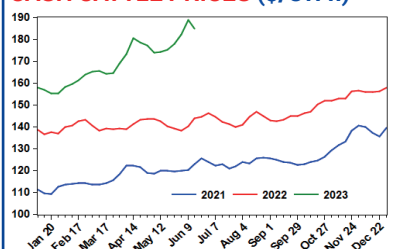
Cattle prices have rallied since the Covid crisis of spring 2020. One can argue the market had bottomed the year prior, but the pandemic took prices even lower. The situation is reminiscent of the cattle rally from the Great Recession to the 2014 peak, as well as the surge to then-record highs in 2003, but that bull market was truncated by the Christmas 2003 Bovine Spongiform Encephalopathy scare. Deferred futures are priced below the early-June high, implying it was the cyclical peak. But that bearishness and surging feed costs are likely to continue limiting feedlot placements and supplies in the coming months.

Position Monitor

Game Plan:		Feds	Feeders
Futures will	II'23	0%	0%
likely face	III'23	0%	0%
near-term	IV'23	0%	0%
	I'24	0%	0%

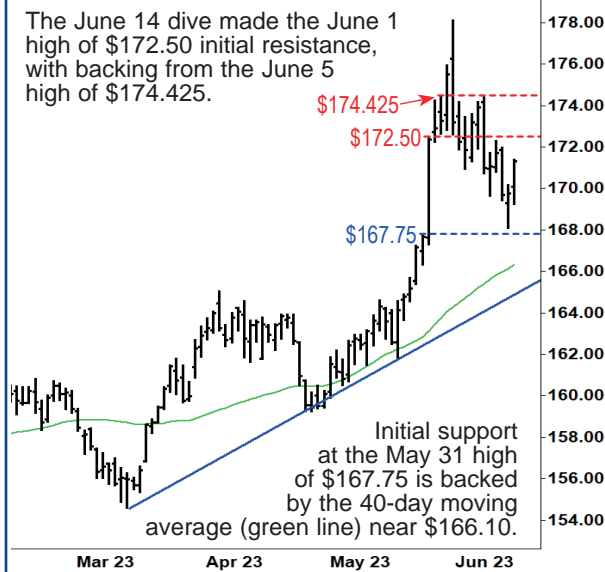
pressure. Hedges in futures are risky given their big discounts. Buying puts would be the safest means of hedging.

CASH CATTLE PRICES (\$/CWT.)



DAILY AUGUST LIVE CATTLE

The June 14 dive made the June 1 high of \$172.50 initial resistance, with backing from the June 5 high of \$174.425.



HOGS - Fundamental Analysis

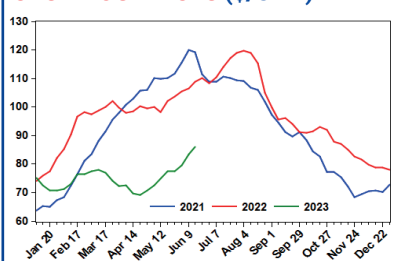
The belated seasonal rally in hog and pork values is expected to continue into early July. This likely reflects an ongoing increase in grocery store pork features and the resulting rise in consumer offtake. But the impact of the recent decline in hog supplies and slaughter is also being exaggerated by a concurrent drop in pig weights. Indeed, late-spring readings were running almost six pounds below last year, which is likely cutting about 2% from weekly pork production. Given the improved pricing environment, as well as the relative highs reached the last two years, we expect the market to rally well into summer.

Position Monitor

Game Plan:		Lean Hogs
Carry all risk in the	II'23	0%
strengthening cash	III'23	0%
market unless the	IV'23	0%
	I'24	0%

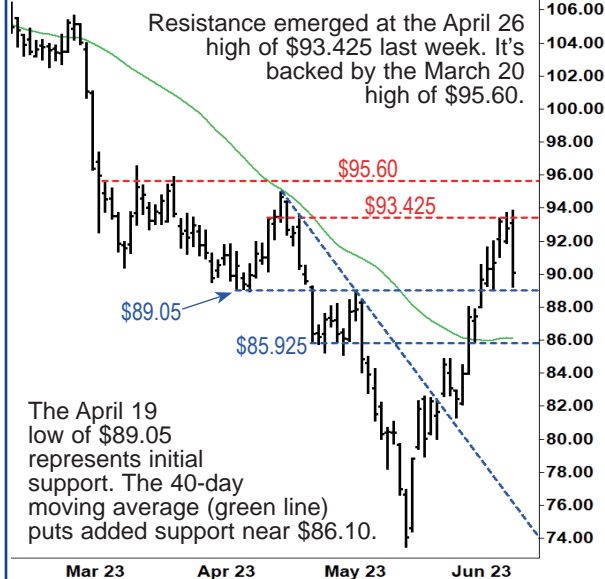
upside is overdone in futures. The seasonal rally should go deeper into the year than normal since it was delayed.

CASH HOG PRICES (\$/CWT)



DAILY AUGUST LEAN HOGS

Resistance emerged at the April 26 high of \$93.425 last week. It's backed by the March 20 high of \$95.60.



FEED

Feed Monitor

Corn

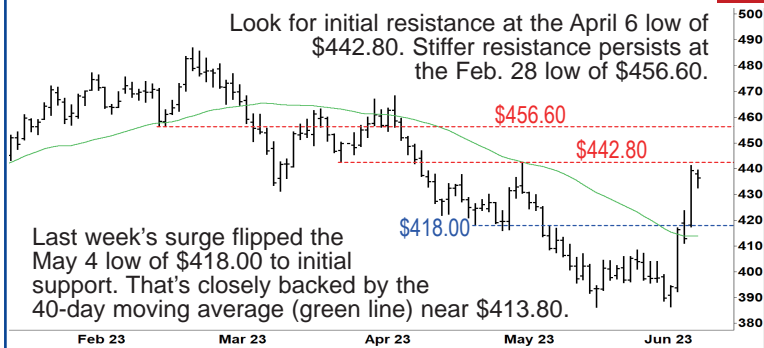
II'23	83%	Corn Game Plan: You are hand-to-mouth on corn-for-feed coverage. Don't chase the market higher. Wait on an extended price pullback to extend coverage.
III'23	0%	
IV'23	0%	
I'24	0%	

Meal

II'23	100%	Meal Game Plan: On June 23, we advised covering remaining June needs in the cash market. We also advised covering half of your needs for both July and August in the cash market.
III'23	33%	
IV'23	0%	
I'24	0%	

DAILY JULY SOYBEAN MEAL

Look for initial resistance at the April 6 low of \$442.80. Stiffer resistance persists at the Feb. 28 low of \$456.60.



Position Monitor

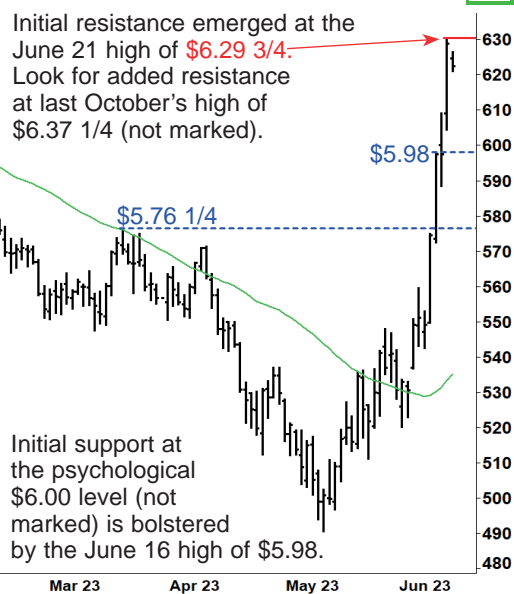
	'22 crop	'23 crop
Cash-only:	85%	35%
Hedgers (cash sales):	85%	50%
Futures/Options	0%	25%

Game Plan: On June 21, we advised hedgers to claim profits on the December \$5.70 call options short-dated to August we purchased on 25% of expected 2023-crop and to buy December \$7.00 calls short-dated to August (July 21 expiration) on 25% of expected production. Our exit on the \$5.70 calls was 61¢ and our fill on the \$7.00 calls was 12¢. Be prepared to increase 2023-crop sales when the market shows signs of topping.

DAILY JULY CORN



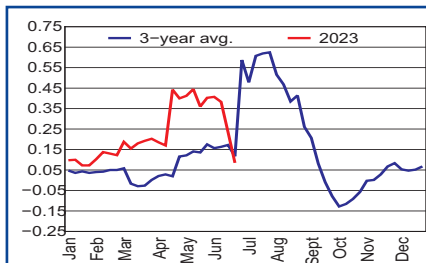
DAILY DECEMBER CORN



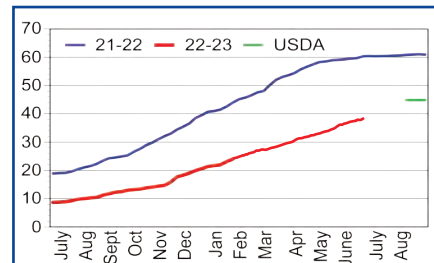
CORN - Fundamental Analysis

Condition ratings for the U.S. crop have steadily fallen since the first reading was published last month, with last week's drop proving especially large. That marked downtrend spurred accelerating buying through the first half of last week, but improved rainfall forecasts for the central Corn Belt caused a late-week setback. And while our weather advisors indicate La Niña to El Niño transition years have often held improved summer weather, there's no denying the quick deterioration of Midwest conditions or the ongoing weather market. We strongly favor using price strength to advance sales since any flip to more favorable conditions in July would weigh heavily on the market.

AVERAGE CORN BASIS (JULY)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

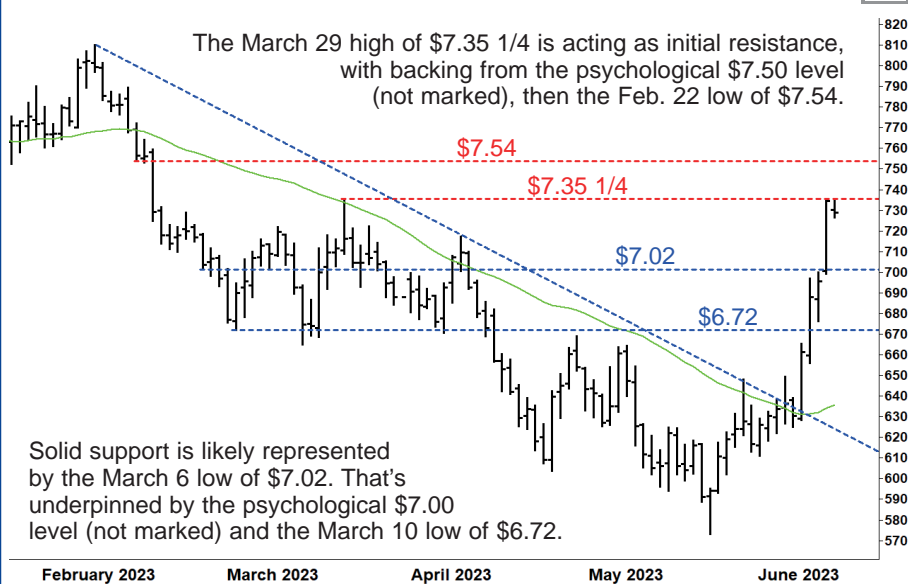
	'23 crop	'24 crop
Cash-only:	50%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

Game Plan: On June 21, we advised hedgers and cash-only marketers to take advantage of the contra-seasonal price rally by selling another 10% of 2023-crop. Be prepared to add to sales on additional price strength.

WHEAT - Fundamental Analysis

SRW – Wheat is tagging along with the corn and soybean rally, though the plunge in spring wheat ratings spurred additional buying. However, with the winter wheat harvest accelerating and the SRW crop being relatively large, this market is likely to lead a price reversal.

DAILY JULY SRW WHEAT



Position Monitor

	'22 crop	'23 crop
Cash-only:	80%	25%
Hedgers (cash sales):	80%	35%
Futures/Options	0%	25%

Game Plan: On June 21, we advised hedgers to sell another 25% of expected 2023-crop production and reown 25% in November \$14.00 call options short-dated to August (July 21 expiration). Our fill was 37¢. We also advised cash-only marketers to sell another 15% of expected 2023-crop production. Be prepared to increase 2022- and 2023-crop sales when the weather rally runs out of steam.

DAILY JULY SOYBEANS



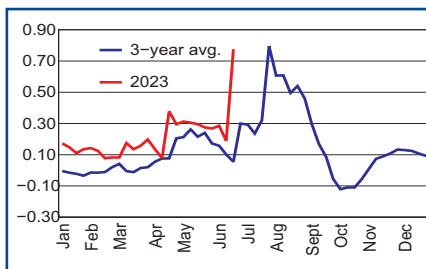
DAILY NOVEMBER SOYBEANS



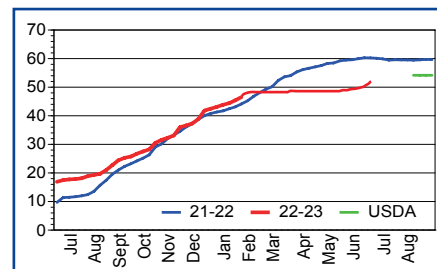
SOYBEANS - Fundamental Analysis

Dry Midwest weather and slumping condition ratings powered the early-week soybean rally, but improved short-term forecasts for central areas of the region spurred heavy late-week selling. Scorching Brazilian sales are dominating the global situation, but the recent surge in U.S. soybean export activity implies international demand is also proving robust. Disappointing EPA mandates for renewable fuels tanked the soyoil market, but the only extraneous effect seemed to be an exaggerated spike in soy meal futures. The importance of late-summer weather may make the soybean market less responsive to short-term forecasts, but we still favor an aggressive sales plan.

AVERAGE SOYBEAN BASIS (JULY)



SOYBEAN EXPORT BOOKINGS (MMT)



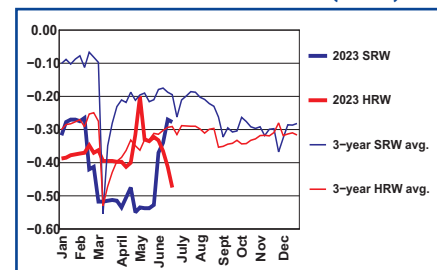
DAILY JULY HRW WHEAT



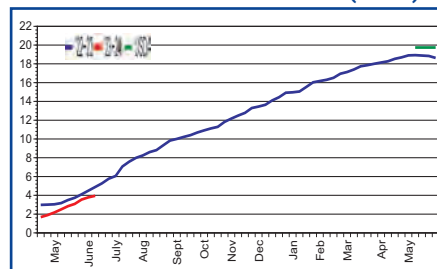
DAILY JULY HRS WHEAT



AVERAGE WHEAT BASIS (JULY)



WHEAT EXPORT BOOKINGS (MMT)



HRW — The HRW harvest has reached Kansas, but will probably slow until the southwestern Plains dry out from recent heavy rains. Serious damage seems unlikely in the absence of continued rainfall. The cash market should account for any reduced grain quality, while a quick resumption of harvest activities might trigger added futures selling.

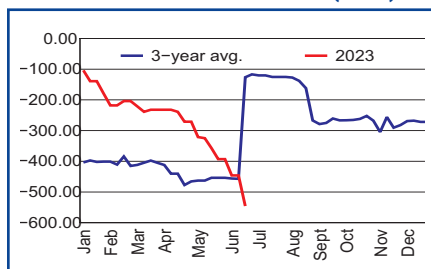
HRS — Although diving HRS crop ratings spurred buying, improved rainfall over the Canadian Prairies and the Dakotas brought relief to many areas last week. The marked futures breakout above the spring downtrend suggests continued buying, but a reversal of the corn/soybean surge would likely weigh on HRS futures as well.

Position Monitor

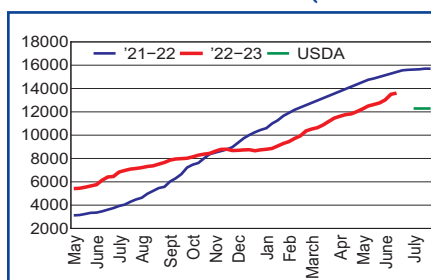
	'22 crop	'23 crop
Cash-only:	100%	50%
Hedgers (cash sales):	100%	50%
Futures/Options	0%	0%

Game Plan: Wait on a price rebound to get current with advised sales. We'll use any rally to the top of the extended sideways range to increase 2023-crop sales.

AVERAGE COTTON BASIS (OCT.)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON



COTTON - Fundamental Analysis

China's improved appetite for U.S. cotton is supporting prices. However, late-spring rains have bolstered the domestic crop outlook, with acreage abandonment likely to fall dramatically from last year. Summer highs may be the best seen in the 2023-24 crop year.

GENERAL OUTLOOK

ECONOMY: Fed Chairman Jerome Powell once again leaned hawkish during his semi-annual monetary policy testimony to Congress last week. Powell generally repeated comments from his post-FOMC meeting press conference in mid-June.

He reiterated the Fed is not happy with inflation levels that are presently well above the central bank's 2% annual target area. Powell also said two more interest rate increases this year are prob-

able but did not specify the timing.

Markets showed little reaction to Powell's testimony, which contained no surprises. The stock market, with the S&P 500 and Nasdaq indexes near 10-month highs, is reading the Fed's present monetary policy stance as suggesting the U.S. economy can maintain its modest growth pace and navigate a soft landing. Doing so would keep the economy from falling into recession.

WEEKLY NEARBY S&P 500 FUTURES



FROM THE BULLPEN By Economist Lane Akre

On June 21, we advised corn hedgers to claim profits on previously purchased December \$5.70 call options short-dated to August on 25% of expected 2023-crop production. The calls were purchased for 17¢ and we exited at 61¢ for a 44¢ profit.

On the same day, we recommended hedgers purchase December \$7.00 calls short-dated to August (July 21 expiration) for 12¢ on 25% of production.

The net of those transactions is a 32¢ profit on a quarter of your expected production for this year, while still maintaining upside potential if the market continues to rally amid weather fears.

The risk of dryness remains through pollination and warrants continued efforts to boost protection if the market continues

rising. The purchase of call options and rolling them higher allows for increasing average sales price, takes option risk off the table and still leaves room for upside potential. If futures continue to rally above the strike price, you can claim profits, exercise into a long position or roll into a new call option.

On June 21, we also advised soybean hedgers to sell another 25% of expected 2023-crop production to get to 35% forward priced for harvest delivery. We also advised reowning 25% in November \$14.00 call options short-dated to August (July 21 expiration) for 37¢.

We advised soybean cash-only marketers to sell another 15% of expected 2023-crop to get to 25% forward sold.

WATCH LIST

1	USDA Crop Progress Report <i>Will crop ratings stabilize?</i>	MON 6/26 3:00 p.m. CT
2	USDA Export Sales Report <i>Sluggish sales likely to continue.</i>	THUR 6/29 7:30 a.m. CT
3	USDA Hogs & Pigs Report <i>Did hog herd contraction begin?</i>	THUR 6/29 2:00 p.m. CT
4	USDA Acreage Report <i>Plantings vs. March intentions.</i>	FRI 6/30 11:00 a.m. CT
5	USDA Grain Stocks Report <i>Grain stocks as of June 1.</i>	FRI 6/30 11:00 a.m. CT

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