



News this week...

- 2 – Corn, soybean and spring wheat crop ratings improve.
- 3 – Perspective on USDA's farmer survey responses.
- 4 – Breakdown of USDA's July S&D Report.

Lack of bearish report data for corn, beans – USDA's corn and soybean ending stocks forecasts declined from last month for both 2023-24 and 2024-25. That triggered light corrective buying immediately following the reports, though favorable weather conditions and still-hefty projected ending stocks likely limit the upside near-term. The wheat crop estimate came in higher than anticipated, which kept pressure on that market. The rapidly advancing winter wheat harvest is also adding seasonal hedge pressure to the market. Live cattle faced long liquidation pressure last week as the four-week run of record cash prices came to an end, despite big discounts already built into futures. Lean hog futures slumped to contract lows before a late-week corrective rebound.

Non-threatening weather this week

Below-normal temperatures and rains are forecast across areas of the Corn Belt the first half of this week. Temps will return to more seasonal levels the following 10 days, though crop stress is unlikely given plentiful soil moisture across much of the region after recent rains. The Plains, Delta and Southeast are also expected to have generally favorable conditions for the next two weeks.

La Niña now unlikely during summer

The U.S. Climate Prediction Center says ENSO-neutral conditions are expected to continue, with 70% odds La Niña will emerge during August-October and persist through winter. World Weather Inc. says the slow evolution of La Niña leaves the door open for other weather patterns to dominate the atmosphere. It notes, "So far, those 'other' patterns do not look too anomalous in major agricultural areas, implying a normal production year is at hand."

Wheat crop bigger than expected

USDA's first all-wheat production estimate at 2.008 billion bu. increased 133 million bu. from the June projection and was 99 million bu. higher than analysts expected. USDA estimates the all-wheat yield at 51.8 bu. per acre, up 2.4 bu. from last month's projection and 3.2 bu. above last year. The winter wheat crop is estimated at 1.341 billion bu., with HRW at 763 million bu., SRW at 344 million bu. and white wheat 234 million bushels.

USDA's initial other spring wheat crop estimate at 578 million bu. was 57 million bu. higher than traders expected. Durum production is estimated at 89 million bu., 14 million bu. higher than anticipated.

China's soy imports jump in June

China imported 11.11 million metric tons (MMT) of soybeans during June, up 8.7% from May and 8.2% from last year. Through the first half of 2024, China imported 48.48 MMT of soybeans, down 2.2% from the same period last year. Soybean arrivals in China are expected to be record-large – between 12 MMT and 13 MMT – this month.

Another record ag trade deficit in May

May ag trade figures resulted in a deficit of \$4.27 billion, the largest on record. USDA Secretary Tom Vilsack attributed weak exports to the relatively strong U.S. economy and reduced purchases from China, now the No. 2 customer. To mitigate these challenges, Vilsack highlighted USDA's investments in export promotion and diversification.

Trade data shows China demand woes

China's exports jumped 8.6% from year-ago to \$307.9 billion in June, as manufacturers front-loaded orders in anticipation of trade tariffs. China's imports dropped 2.3% to a four-month low of \$208.81 billion amid weak domestic demand.

Scrutiny of Chinese ag initiatives

Chair John Moolenaar (R-Mich.) of the House Select Committee on the Chinese Communist Party has raised significant concerns about USDA's quick approval of Qi Biodesign, a Chinese ag biotech company, to produce genetically engineered soybeans for consumption in the United States. Moolenaar has requested USDA:

- Immediately revisit the regulatory review.
- Provide a briefing to address specific questions about the approval process, including steps taken to protect U.S. supply chains and ensure reciprocity between nations.

Scrutiny of Chinese land purchases near military bases is also increasing amid concerns about espionage, intellectual property theft, and potential sabotage of the U.S. food supply.

ASA responds to China soybean seed approval

The American Soybean Association (ASA), said: "We share the committee's concern about fairness in our regulatory system. However, we urge lawmakers to act carefully. Politicizing our regulations in response to China makes no sense."

Ag equipment sales slump

Sales of tractors and combines dropped 11.5% and 17.3%, respectively, during the first half of 2024 compared to last year, the Association of Equipment Manufacturers reported.

Corn, soybean crop ratings improve

USDA rated 68% of the corn crop as “good” to “excellent” as of July 7, up one point from the previous week. The “poor” to “very poor” rating held at 9%.

USDA’s “good” to “excellent” rating for the soybean crop also improved one point to 68%. The “poor” to “very poor” rating held at 8%.

On the weighted *Pro Farmer* Crop Condition Index (CCI; 0 to 500-point scale, with 500 representing perfect), the corn crop rose 3.0 points to 375.3, while the soybean crop improved 2.4 points to 365.4.

FarmDoc estimates corn yields, production on conditions

Based on USDA’s June acreage estimate and crop condition ratings as of June 30 (a week prior to the condition ratings noted above), the University of Illinois’ *FarmDoc* estimated the corn crop at 14.99 billion bu., with a range of 14.58 billion bu. to 15.40 billion bushels. Corn yield was estimated at 179.7 bu. per acre, with a range of 174.8 bu. to 184.6 bu. per acre.

PERSPECTIVE: Based on our research, there is no direct correlation between corn yields and crop conditions as of July 1. Since 1986 when USDA started releasing weekly national crop condition ratings, there were seven years with good/excellent ratings of 66% to 69% at the end of June. Three of those years yields ended at above-trend, three below trend and one at trend. One of the years was 2011, which was a disaster and would put the yield at 166 bu. per acre. The best year was 2017, which would equate to an equivalent of 188 bu. per acre.

Spring wheat conditions improve, too

USDA rated the spring wheat crop as 75% “good” to “excellent,” up three points from last week. The “poor” to “very poor” rating held at 4%. The CCI rating improved 1.2 points to 383.5.

Cotton conditions plunge again

USDA rated 45% of the cotton crop as “good” to “excellent,” down five points from last week. The “poor” to “very poor” rating increased six points to 23%. The cotton CCI fell another 6.6 points to 338.9 – down 29.6 points from the initial rating at the end of May.

Brazil’s corn crop forecast raised

Conab raised its Brazilian corn crop forecast 1.7 million metric tons (MMT) to 115.9 MMT. Despite the increase, the 2023-24 export forecast remained at 33.5 MMT. Conab trimmed its soybean crop estimate 17,000 metric tons to 147.3 MMT and kept its export forecast at 92.4 MMT.



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Producer Crop Comments...

Please send crop comments to editors@profarmer.com.

Guthrie Co. (west-central) Iowa:

“I’ve never seen our crops around here look this good, especially the corn. We’ve had ample rainfall, but not the excessive amounts northwest of us.”

Polk Co. (central) Iowa:

“April-planted corn in this area is some of the most inconsistent tasseling I have ever seen. Yield maps are gonna swing hard this year.”

North-central Iowa:

“Yield, moisture, ability to maintain quality in storage, etc. will have a long tail. Saturation-induced crown rot and N loss-induced stalk quality will be rough as well. Gonna need to harvest at high moisture and take it to town by April. Then start over fresh in 2025.”

Champaign Co. (west-central) Illinois:

“Crops look as good as I have ever seen at this point in the growing season. Truly the Field of Dreams this year. Crops will need the forecast rains to maintain yield potential. It’s drier in the southern part of the county.”

McHenry Co. (northeast) Illinois:

“We have enough rain for now. We need heat to give our crops a boost.”

Faribault Co. (south-central) Minnesota:

“We had drifts of hail still on the roads 45 minutes after the storm. Crops are wiped out. Worst crops this area has ever had – and it’s not a small area.”

Lancaster Co. (east-central) Nebraska:

“There was a lot of wind and hail damage from the July 6-7 storm, but outside of the path it was a beautiful rain and crops look fantastic.”

Phelps Co. (south-central) Nebraska:

“The storm path covered 400,000-plus acres of highly productive farmland. The lightest hit areas were 10% to 60% defoliated, with others 40% to 80% and some most likely a total loss. Crystal ball on what to do would be real handy. I have a feeling most farmers will just let be what will be.”

Clay Co. (southeast) Nebraska:

“This is 12 of the last 13 years we’ve been hit by hail in the first week of July. That week has been a killer.”

Clark, Meade Cos. (southwest) Kansas:

“Our corn and beans probably won’t be worth harvesting after the storm damage. Milo might come back.”

Gray Co. (southwest) Kansas:

“We took a direct hit from two massive hail storms. Some beautiful crops wiped out around this area.”

Madison Co. (central) Ohio:

“It’s DRY. We’ve got our fingers crossed some of the rains from Hurricane Beryl last until they get here.”

Waukesha Co. (southeast) Wisconsin:

“I’ve seen flooding before, but the duration of saturation this year is crazy. Crops look decent but I can’t get in to spray as it’s still pure mud.”

Beef, pork exports slow in May

The U.S. exported 258.9 million lbs. of beef during May, down 589,000 lbs. (0.2%) from April and 7.8 million lbs. (2.9%) less than last year. Pork exports totaled 584.7 million lbs., down 71.2 million lbs. (10.9%) from April and 35.0 million lbs. (5.7%) less than last year.

Beef exports through May totaled 1.251 billion lbs., down 64.5 million lbs. (4.9%) from the same period last year. Pork shipments through May reached 3.043 billion lbs., up 171.0 million lbs. (6.0%) versus the first five months of 2023.

India will lead global food demand

The UN Food and Agriculture Organization and the Organization for Economic Cooperation and Development project agricultural product consumption, including animal feed and fuel, will grow by an average of 1.1% annually in calorie terms through 2033 with nearly 94% of the added consumption expected in India, Southeast Asia and sub-Saharan Africa.

China accounted for 28% of the demand increase over the past decade, but its share is forecast to drop to 11% in the next decade. India's share is predicted to rise from 13% to 20%.

India mulls easing rice export limits

India may relax restrictions on exports of some rice varieties to avoid a glut in the country before new-crop supplies hit the market in October. India is considering allowing white rice shipments with a fixed duty. Authorities may also scrap a 20% tax on parboiled rice exports and impose a fixed levy instead to discourage underpricing of cargoes.

Cooking oil scandal in China

China's State Council is investigating reports some truck tankers were transporting edible oils immediately after carrying chemicals, such as coal-based oils, without adequate cleaning. The scandal led to increasing concerns about the country's food security and caused prices to plunge. But this isn't expected to have a lasting impact on soy crushers.

Bigger focus on China's forced labor

The U.S. is ramping up enforcement to prevent imports of goods produced with forced labor, especially from China's Xinjiang region. The latest targets are aluminum, PVC and seafood, joining apparel, cotton, polysilicon and tomatoes.

China's deflation risks persist

China's consumer price index eased to 0.2% above last year in June, the fifth straight month of inflation but the lowest figure since March. Food prices declined from year-ago for the 12th consecutive month despite an 18.1% jump in pork prices.

China's producer prices fell 0.8% from year-ago, the 21st straight month of producer deflation.

Study: Potential risks to gov't data

A study by the American Statistical Association warned the reliability of U.S. economic data is at risk due to shrinking budgets, declining survey response rates and potential political interference. The study likens the statistical system to infrastructure that is often neglected until a crisis occurs.

This prompted us to check on response rates to USDA's National Agricultural Statistics Service (NASS) reports.

Response rates have been declining over time:

- By the late 2010s, response rates for NASS crop surveys had fallen below 60% in some cases, down from 80% to 85% in the early 1990s.

Recent response rates for specific NASS surveys:

- The 2022 Census of Agriculture had a response rate of 61%, down from 71.5% for the 2017 Census.
- Monthly NASS survey response rates are about 75%; around 50% to 60% for quarterly and annual surveys.

Impacts of declining response rates:

- Reduced statistical precision of estimates.
- Fewer counties for which estimates can be published.
- Potential introduction of bias if non-respondents differ from respondents.

Importance of response rates:

- High response rates are crucial for maintaining data quality and reliability.
- Increased costs for data collection with lower responses.
- Accurate data is essential for policymaking, research and agricultural planning.

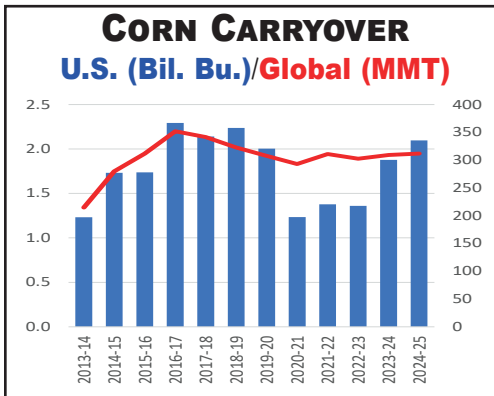
Bottom line: NASS continues to monitor response rates and implement strategies to improve participation in their surveys, recognizing the critical importance of high-quality data.

Lance Honig, Director of Methodology Division and Chair, Agricultural Statistics Board of USDA's NASS told us:

"As a Federal statistical agency, NASS has the unique ability to level the playing field by providing unbiased and accurate information to everyone involved in agriculture — free of charge and available to everyone at the same time. The work that we do is a partnership with farmers across the nation. Every producer who receives a NASS survey has an opportunity to improve the accuracy of the results by completing it, which leads to better decisions, better policy and increased market efficiency. Response to surveys has declined in recent years, but overall rates remain very strong at NASS relative to other organizations and entities conducting survey work — a tribute to the time farmers commit to this partnership. While surveys remain the backbone of our estimates, we incorporate additional information into our process, including administrative data from across USDA, geospatial information and more. This helps to improve accuracy while reducing the volume of survey contacts we have to make, therefore reducing the burden placed on farmers."

Corn, bean ending stocks lower than expected

by Pro Farmer editors



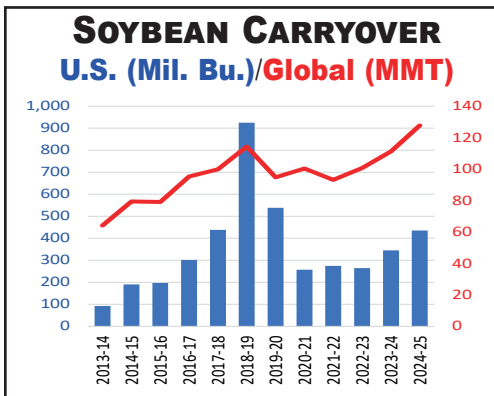
CORN — USDA cut old-crop ending stocks 145 million bu. from last month to 1.877 billion bushels. USDA raised total supplies 5 million bu. due to an increase in estimated old-crop corn imports. On the demand-side, USDA increased feed & residual use and exports 75 million bu. each.

For 2024-25, USDA trimmed projected ending stocks 5 million bu. from last month to 2.097 billion bushels. USDA raised 2024-25 total supplies 95 million bu. from last month due to a 240-million-bu. increase to the 2024 corn crop and the 145-million-bu. drop in beginning stocks. On the demand side, total use is projected up 100 million bu. from last month.

Our corn ending stocks forecasts are 1.875 billion bu. for 2023-24 and 2.040 billion bu. for 2024-25.

- **USDA 2023-24 price: \$4.65, unchanged from June; 2024-25: \$4.30, down a dime.**

Global corn carryover: 309.1 million metric tons (MMT) for 2023-24, down 3.3 MMT from June; 311.6 MMT for 2024-25, up 870,000 metric tons (MT).



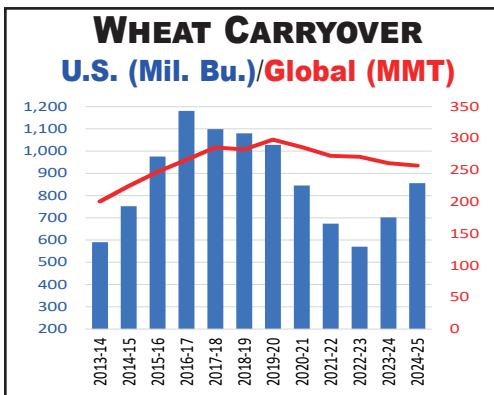
SOYBEANS — USDA lowered old-crop ending stocks 5 million bu. to 345 million bushels. USDA cut total old-crop supplies 5 million bu. from last month on lower imports. Total old-crop use declined 1 million bu. from last month (rounding).

For 2024-25, USDA cut ending stocks 20 million bu. to 435 million bushels. Total supplies were cut 20 million bu. from last month due to the lower beginning stocks and a 15-million-bu. reduction to the 2024 bean crop projection. Total new-crop bean use was unchanged at 4.360 billion bushels.

Our soybean ending stocks forecasts are 350 million bu. for 2023-24 and 475 million bu. for 2024-25.

- **USDA 2023-24 price: \$12.50, down a nickel from June; 2024-25: \$11.10, down 10¢.**

Global soybean carryover: 111.3 MMT for 2023-24, up 180,000 MT from last month; 127.8 MMT for 2024-25, down 140,000 MT.



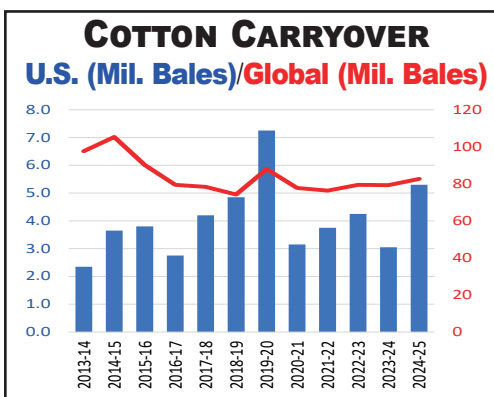
WHEAT — Old-crop ending stocks were set at 702 million bu. by the June 1 stocks estimate. To get to that carryover, USDA cut 2 million bu. from total supplies and lowered total use 16 million bushels.

For 2024-25, USDA raised ending stocks 98 million bu. to 856 million bushels. USDA increased total supplies 133 million bu. on the bigger crop estimate.

Our wheat ending stocks forecast is 875 million bu. for 2024-25.

- **USDA 2023-24 price: \$6.96, down 4¢ from June; 2024-25: \$5.70, down 80¢.**

Global wheat carryover: 261.0 MMT for 2023-24, up 1.4 MMT from last month; 257.2 MMT for 2024-25, up 5.0 MMT.



COTTON — USDA raised old-crop carryover 200,000 bales to 3.05 million bales on a cut to estimated exports.

For 2024-25, ending stocks jumped 1.2 million bales to 5.3 million bales.

Our cotton ending stocks forecasts are 3.05 million bales for 2023-24 and 5.35 million bales for 2024-25.

- **USDA 2023-24 price: 76¢, unchanged from last month; 2024-25: 68¢, down 2¢.**

Global cotton carryover: 79.3 million bales for 2023-24, down 1.7 million bales from last month; 82.6 million bales for 2024-25, down 860,000 bales.

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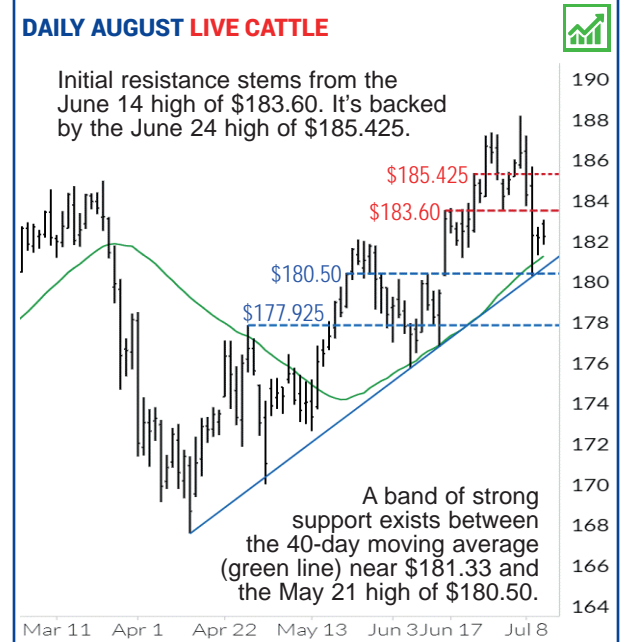
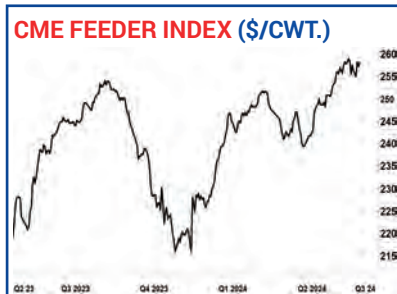
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CATTLE - Fundamental Analysis

Cash cattle prices set a fresh record at \$197.09 during the week of Independence Day. Having Choice beef cutout top \$330.00 around the holiday lent great support. However, prices fell drastically last week, with early quotes, for mostly Southern Plains cattle, averaging just \$188.36. Prices tumbled three consecutive weeks after peaking in June 2023, then worked upward to a secondary top in August. We wouldn't be surprised by a similar scenario this summer. Still, short-term pessimism is also weighing on feeder values despite the breakdown in corn prices and feed costs.

Position Monitor		
Game Plan:	Feds	Feeders
Live cattle	III'24 0%	0%
futures re-	IV'24 0%	0%
main at	I'25 0%	0%
	II'25 0%	0%

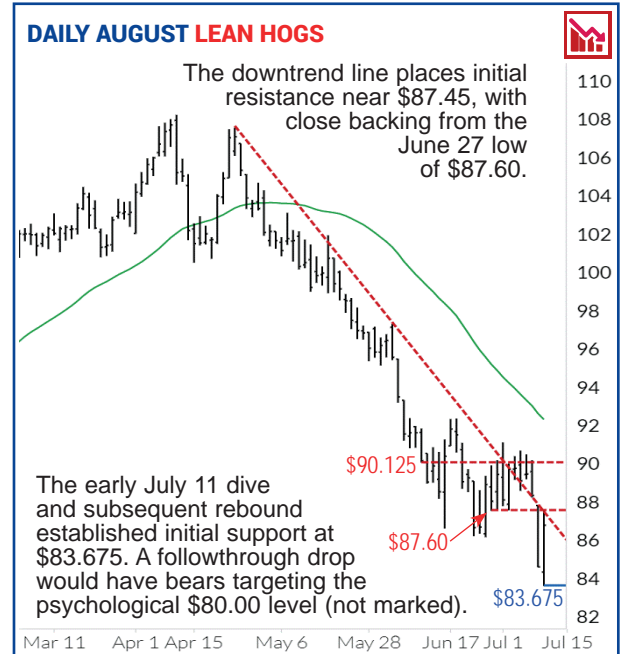
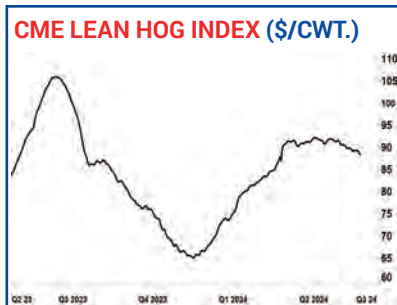
steep discounts to the cash market. Any near-term hedges should be done by purchasing put options.



HOGS - Fundamental Analysis

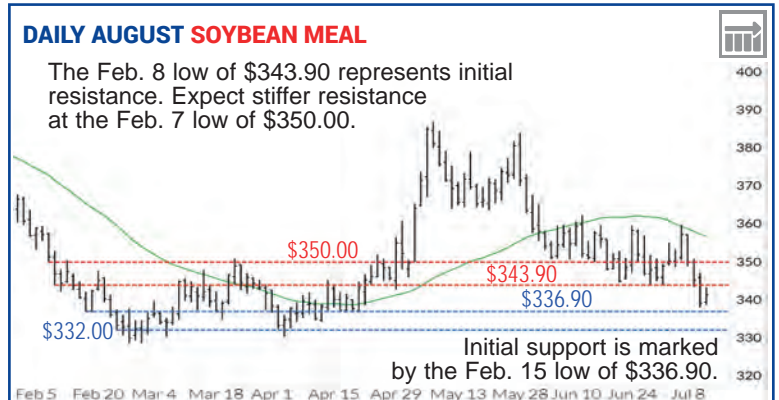
Hog futures posted new lows last week. The drop likely reflects industry anticipation of persistently poor consumer demand for pork. But we suspect traders may also be expecting hog supplies to top USDA's projections for 2% summer gains and an approximate 1% slaughter increase through fall. Such ideas are based on hog slaughter averaging 3.6% over year-ago levels during the past six weeks. Seasonally robust pork belly demand during BLT season should provide short-term support, but the traditional late-summer/fall surge in supplies is likely to sink cash prices.

Position Monitor		
Game Plan:	Lean Hogs	
Hog futures are facing seasonal price pressure as slaughter numbers start to build. But wait on an overdue correction before considering hedge coverage.	III'24 0%	0%
	IV'24 0%	0%
	I'25 0%	0%
	II'25 0%	0%



FEED

Feed Monitor		
Corn		
III'24	33%	Corn Game Plan: You have all corn-for-feed needs covered in the cash market through July. Wait on signs of a major low before actively extending coverage.
IV'24	0%	
I'25	0%	
II'25	0%	
Meal		
III'24	50%	Meal Game Plan: On July 10, we advised extending soymeal coverage another two weeks in the cash market through mid-August. Our target for further extending coverage is the \$330.00 area in August futures.
IV'24	0%	
I'25	0%	
II'25	0%	



Position Monitor

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

Game Plan: Wait on an overdue price rebound to get current with advised sales. With bears firmly in control, a notable correction could be difficult barring a change in weather. We will advise initial 2024-crop marketings at the same time as old-crop sales. The current fundamental makeup of the market dictates any summertime price rally must be used to make old- and new-crop sales.

DAILY DECEMBER CORN

Look for a stiff zone of resistance between the July 3 low of \$4.17 1/2 and the July 2 high of \$4.26 1/2. A bullish breakout would open the door to a retest of the June 28 high of \$4.41.



Initial support is at the July 10 low of \$4.04. Renewed losses would have bears targeting the psychologically important \$4.00 level (not marked).

DAILY SEPTEMBER CORN

Expect initial resistance at the July 1 high of \$4.10. Stiffer resistance stands at the June 26 low of \$4.24 1/4.

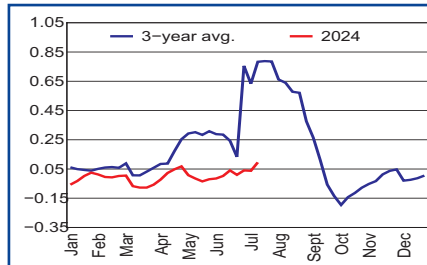


Psychological support at \$4.00 (not marked) is bolstered by the June 28 low of \$3.99 1/2.

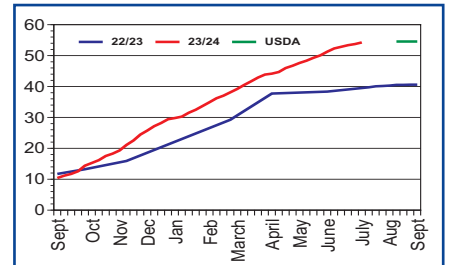
CORN - Fundamental Analysis

It's rather common for corn futures to react decisively to crop prospects just after the Independence Day holiday. That was the case again last week, with nearby futures diving to their lowest level since late 2020 in response to elevated crop conditions and favorable short-term weather forecasts. As indicated previously, it looks like this will be one of those years without a summer rally. However, as discussed in "From the Bullpen" on *Analysis* page 4, the heavy imbalance of funds on the short side may limit the market's downside risk, especially if any production hiccups occur in the coming weeks. A short-term corrective rebound should be used to advance sales.

AVERAGE CORN BASIS (SEPT.)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

	'24 crop	'25 crop
Cash-only:	60%	10%
Hedgers (cash sales):	60%	10%
Futures/Options	0%	0%

Game Plan: Wait on an extended correction to advance cash sales. Seasonally, the wheat market may face more near-term pressure as winter wheat harvest advances. It's also unlikely wheat can fully divorce from corn price action.

DAILY DECEMBER SRW WHEAT

Initial resistance stands at the April 19 high of \$6.15 1/2. Look for stiffer resistance at the April 22 high of \$6.35.



Support at the March 15 low of \$5.79 1/4 held again last week. Expect added support at the March 6 low of \$5.65 3/4 (not marked).

WHEAT - Fundamental Analysis

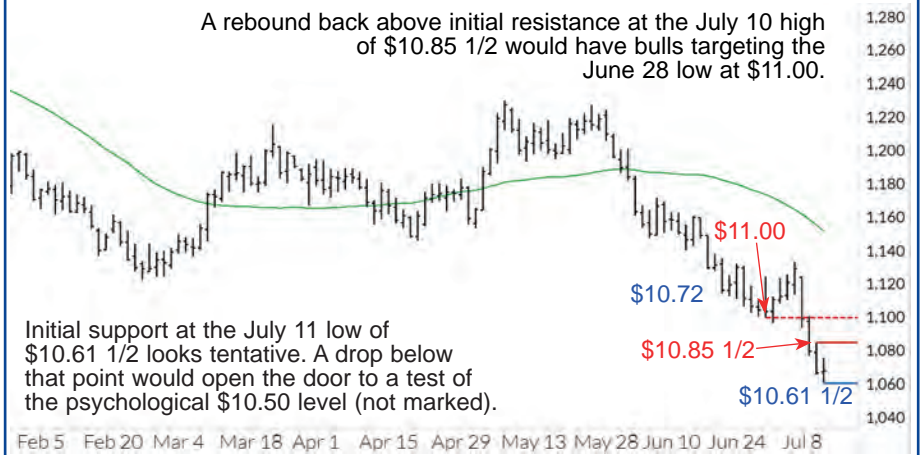
SRW – Pressure on wheat prices grew last week amid the rapid domestic winter wheat harvest, higher-than-expected Russian yields and spillover from corn market weakness. And yet support proved firm, making pragmatic traders suspect a bottom may be looming.

Position Monitor

	'23 crop	'24 crop
Cash-only:	60%	10%
Hedgers (cash sales):	65%	10%
Futures/Options	0%	0%

Game Plan: You must be prepared to make additional sales on any notable corrective price gains as farmer selling is likely to be active and a sustained price rally seems unlikely barring a fresh bullish catalyst. We are targeting a rebound of 50¢ or more in August futures to increase old-crop sales. Timing of new-crop sales will be based off the next move for old-crop.

DAILY NOVEMBER SOYBEANS



DAILY SEPTEMBER SOYBEANS

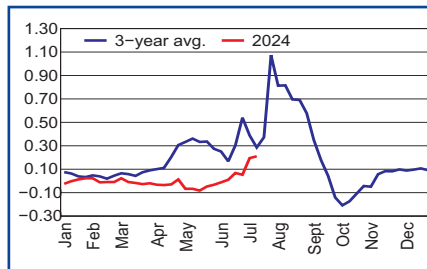
The July 10 high of \$10.83 marks initial resistance. It's backed by the July 1 low of \$10.94 1/4.



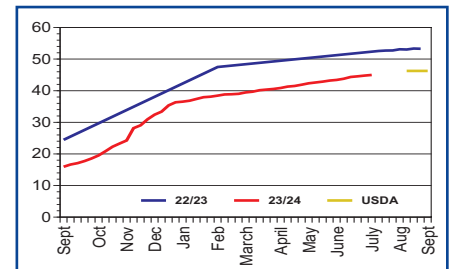
SOYBEANS - Fundamental Analysis

Last week's followthrough soybean losses suggest considerable trader optimism about the size of the fall crop. Thus, sustained trend reversals in corn and soybeans look unlikely at this juncture. Nevertheless, history shows several instances when Corn Belt weather turned hot and dry in the August-September period, slashing the harvest total well below its early potential. The hefty fund net short position may limit downside risk even if weather remains generally favorable. That doesn't mean a rally will be forthcoming. It simply seems too early to throw in the towel and commit to sales prematurely.

AVERAGE SOYBEAN BASIS (AUG.)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY DECEMBER HRW WHEAT

Initial resistance stems from the April 16 high of \$6.18 1/4.

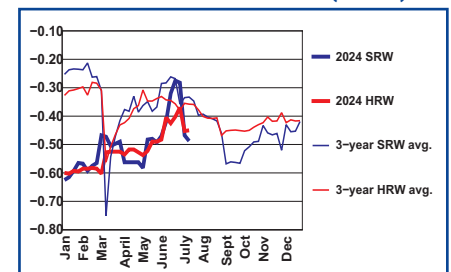


DAILY SEPTEMBER HRS WHEAT

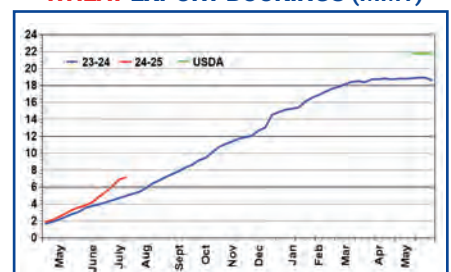
Expect resistance at the July 1 high of \$6.33 1/4.



AVERAGE WHEAT BASIS (SEPT.)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Given the bearish situation and outlook, the strong July 11 HRW rebound from the previous day's drop likely impressed potential buyers. But the timing for such a reversal could be difficult given potential corn market spillover and the ongoing winter wheat harvest. We favor a patient approach to sales.

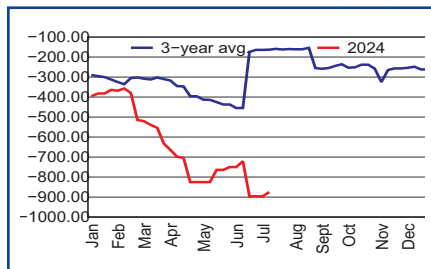
HRS — Last week's crop condition ratings at 75% "good" to "excellent" suggest the summer/fall harvest will prove bountiful. This may partially explain the HRS market's weakness relative to winter wheat prices. It also faces harvest pressure down the road. Still, we also recommend patience before boosting sales.

Position Monitor

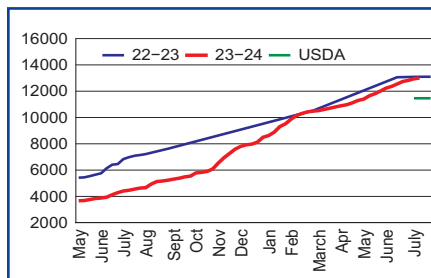
	'23 crop	'24 crop
Cash-only:	90%	25%
Hedgers (cash sales):	90%	25%
Futures/Options	0%	0%

Game Plan: We'll use a corrective rebound to finish 2023-crop sales by July 31. Wait on an extended correction to increase 2024-crop sales.

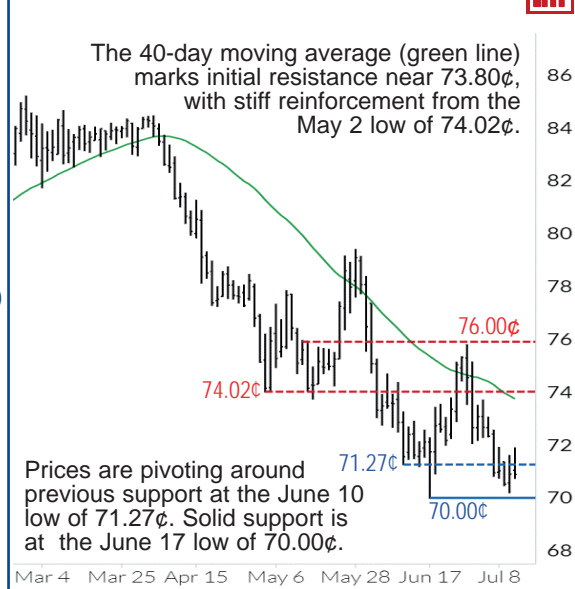
AVERAGE COTTON BASIS (OCT.)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON



COTTON - Fundamental Analysis

Export sales for 2023-24 are winding down with the cotton crop year ending July 31. Sales for 2024-25 also remain depressed. With cotton ending stocks projected to rise sharply year-over-year, the upside is limited to short-covering unless a crop threat arises.

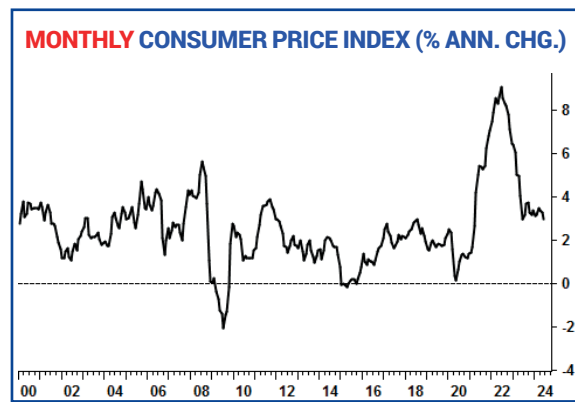
GENERAL OUTLOOK

INFLATION: Last week's June U.S. consumer price index (CPI) posted a 3.0% annual increase, slightly below expectations. Month-on-month, the June CPI showed disinflation, slipping 0.1%.

The tame inflation data seemingly paves the way for the Federal Reserve to lower interest rates this year. Most analysts believe the Fed will start cutting rates in September. Fed Chair Jerome Powell also leaned a bit more dovish in

his remarks to Congress.

Last week's Powell/inflation news seems fully bullish for commodity markets. Lower interest rates suggest better consumer demand amid lower borrowing costs. However, there is an important element related to central bank policy the marketplace may be overlooking: slowing global economic growth or even price deflation coming out of China (see *News* page 3).



FROM THE BULLPEN By Economist Lane Akre

Corn and soybean prices continue to closely track the 2010 to 2014 analog study we have reported on several times in the last few years. December futures have tracked nearly tick for tick in the last couple of weeks, settling within a few cents of the closes seen on the same dates in 2014. If that pattern were to continue, weakness can be expected until October before prices stabilize and bounce into 2025.

While soybeans underperformed their 2014 counterpart in the first few months of the year, price action has tracked closer during the last month. Soybeans sustained heavy selling pressure from June through September before stabilizing into the end of 2014.

But there is one major difference this year. Funds were heavily long corn, soy-

beans and wheat in early summer 2014, contrary to near-record short positioning this year. Funds were long corn throughout 2014 with profit-taking driving prices lower during the summer months. Prices stabilized before funds started rebuilding longs during harvest.

Funds were record long soybeans in April of 2014 before they began selling off long positions in the summer, reaching a relatively neutral position during harvest.

Funds continue to add to heavy, near-record short positions this year. While long positions provided plentiful volume to sell into a decade ago, they have little room for continued, sustained selling pressure, which could open the door for relative strength this year versus 2014.

WATCH LIST

- NOPA Soy Crush Report** **MON 7/15**
Strong crush expected for June. 11:00 a.m. CT
- USDA Crop Progress Report** **MON 7/15**
Corn ratings mean more in July. 3:00 p.m. CT
- USDA Export Sales Report** **THUR 7/18**
Corn, bean sales slow seasonally. 7:30 a.m. CT
- NWS Extended Weather** **THUR 7/18**
Forecast for August-October. 7:30 a.m. CT
- USDA Cattle on Feed Report** **FRI 7/19**
June placements will be key data. 2:00 p.m. CT

Farm Bill and Policy Updates

Read Jim Wiesemeyer's latest updates on the farm bill, USDA programs and much more in his daily Policy Updates report on www.profarmer.com.