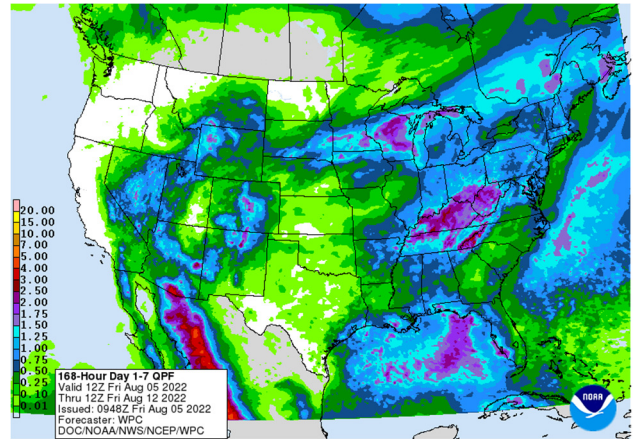


Weather

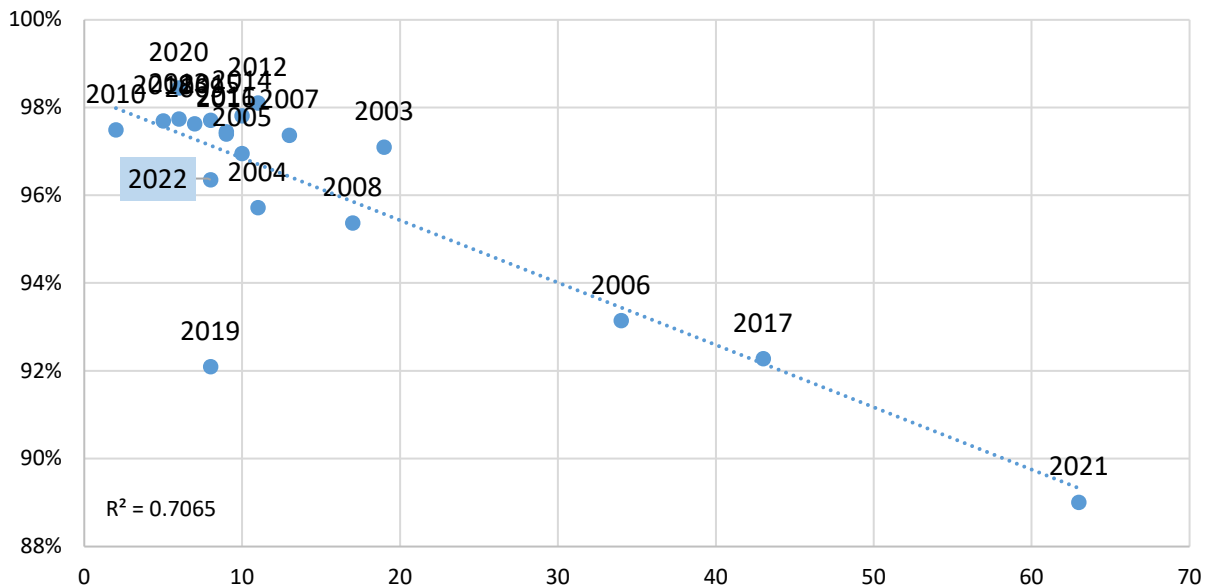
The rainfall threat for the WCB will get kicked off later tonight and rainfall chances should extend into early next week. It continues to be a case of have's and have-not's, with the Southern Plains obviously short-changed. It is worth noting that, after being dry for several days starting early next week, the WCB should see additional chances for rain at the end of the 6-10 day period into the 11-15 day period.



Crops

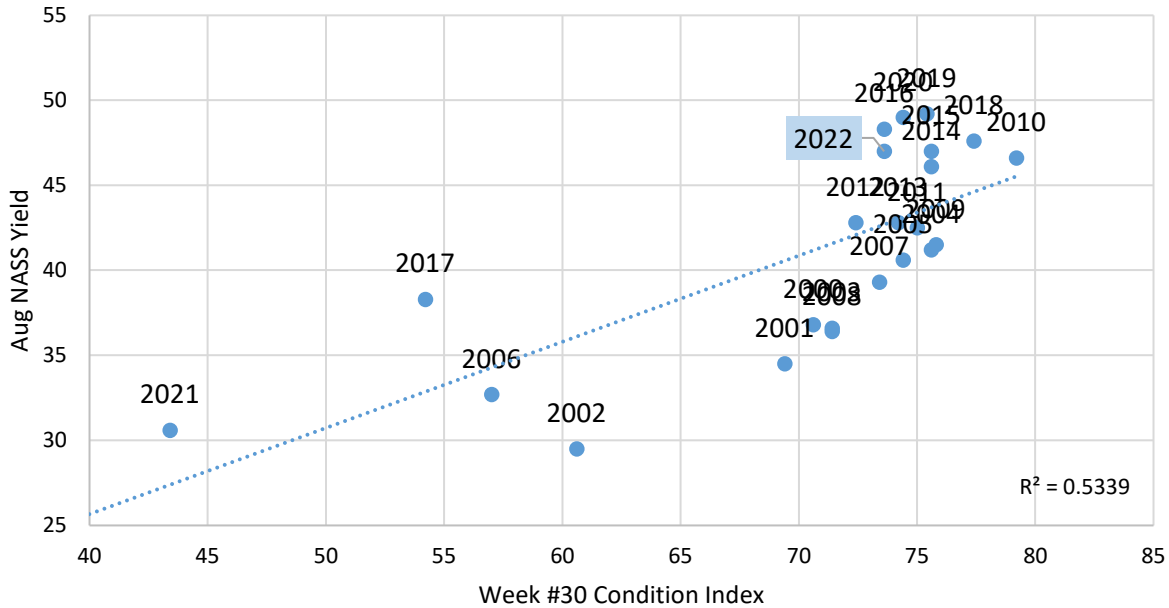
A quick look at spring wheat production this morning. Unfortunately, we don't have much to work with other than condition ratings. Looking at harvested area first, I think one could potentially make the argument that NASS is being a bit conservative on their estimate of harvested area. Note the chart below. With conditions at these solid levels, we might see this adjusted higher at some point. That being said, NASS normally doesn't adjust harvested area until the September Small Grains Summary so we probably shouldn't expect anything this month.

Other Spring Wheat Harvested % of Planted vs. Final P/VP Condition Total



The chart below looks at NASS Aug spring wheat yields vs. the Week 30 condition index. The highlighted 2022 figure uses the July yield estimate. It looks pretty inline with what you'd normally expect with current conditions. With that in mind, I wouldn't expect much of a change in spring wheat yield or production this month.

Other Spring Wheat August Yield Forecast vs. Condition Index

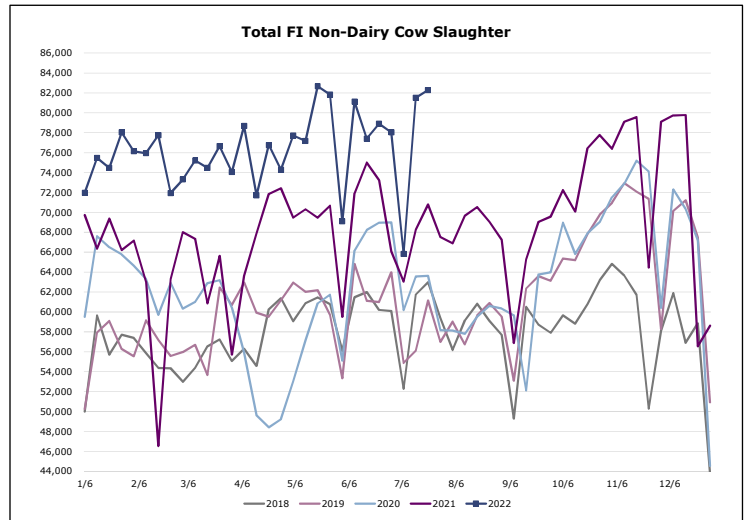


Livestock

Still a broken record here....

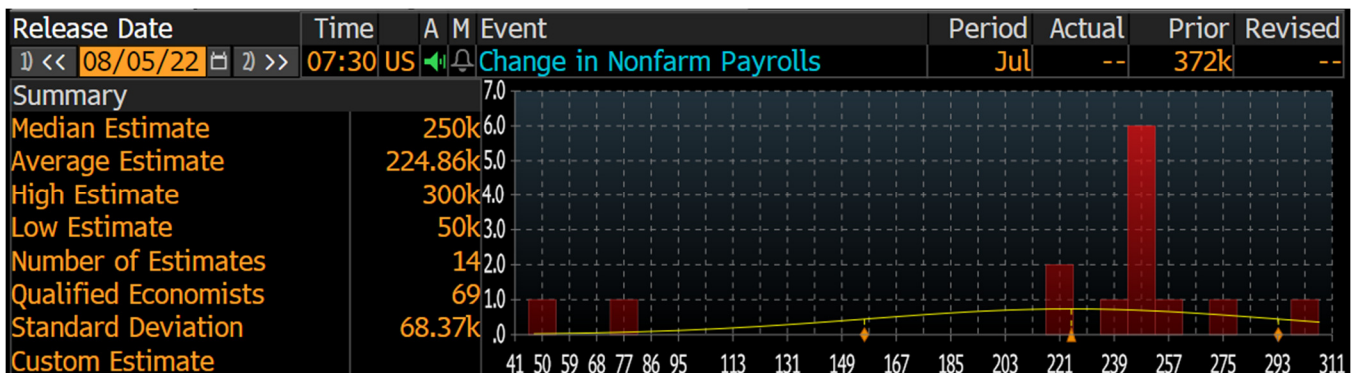
I still look at the level of the cow kill and look ahead...what happens to demand for fed cattle when this cow kill even comes close to “normalizing”? We’re running at least 20k head per week ahead of what might be considered normal.

Admittedly, there isn’t much reason to think that this is going to normalize soon. The drought in the Southern Plains remains problematic. Still, there is eventually going to be a big hole here. Place yer bets on when...



Financials

NFP on deck today. Obviously this will be the deciding factor for price action today. A quick breakdown of expectations below. The first chart shows the Bloomberg range of estimates on the NFP number itself. Another month with a very wide range of estimates. Lots of uncertainty here, and I certainly don’t have any strong bias myself.



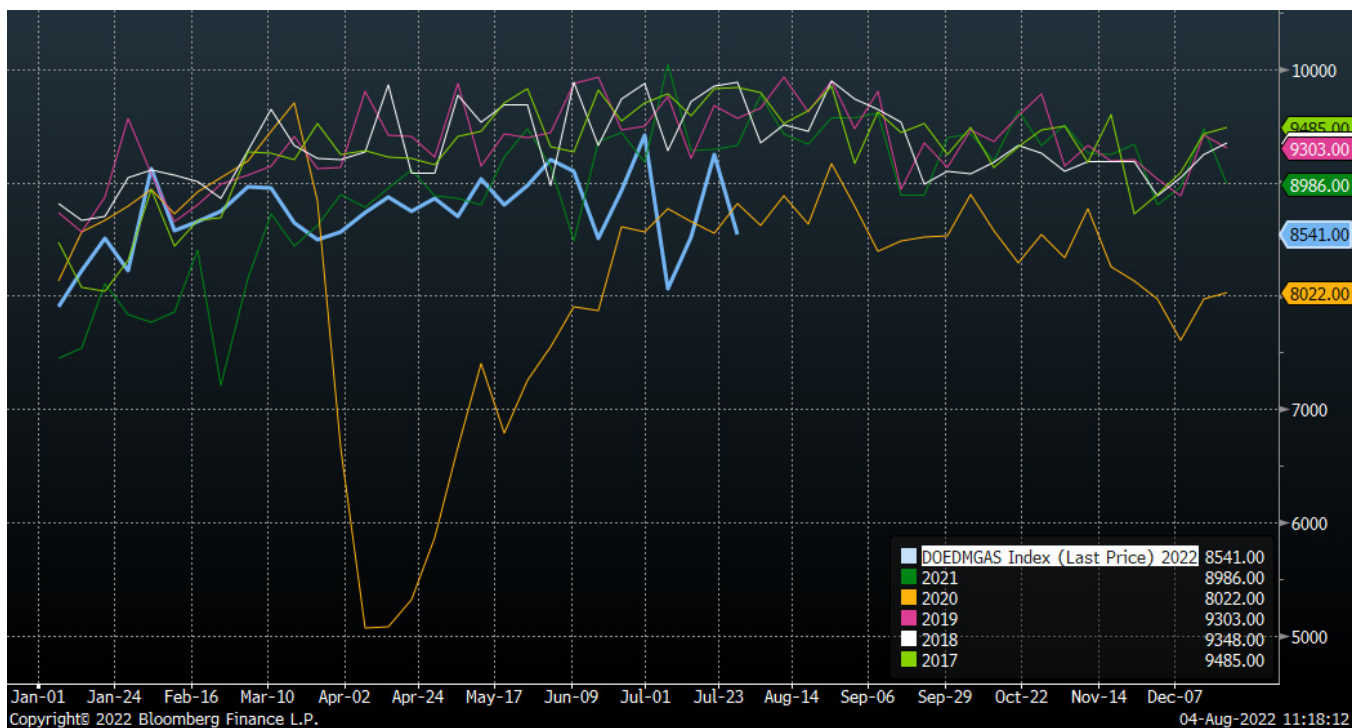
This second breakdown gives the range of estimates for the unemployment rate. For now the median estimate is calling for an unchanged figure, but note how the average estimate is slightly higher. I mentioned yesterday that I am wondering if we might see an uptick and I'm clearly not entirely alone on that.



Good luck today.

Energy

Chart on the following page shows the EIA's measure of motor gasoline products supplied. I've pointed it out before, but it is worth repeating. I cannot understand how the EIA is showing motor gasoline demand running below 2020 levels. Also, look at the huge variability in the weekly totals...it isn't normally that back-and-forth. Something is off here. I'm calling BS on the idea that gasoline demand is lower than summer 2020 when half the country was still under lockdown orders. It just doesn't make any sense to me. Yeah, some will say we've got demand destruction due to high gasoline prices. I call BS on that as well. Maybe on the margin we've reduced consumption, but to 2020 levels? I'm open to entertain thoughts and opinions here.



Today's Calendar (all times Central)

- NFP – 7:30am

Thanks for reading.

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