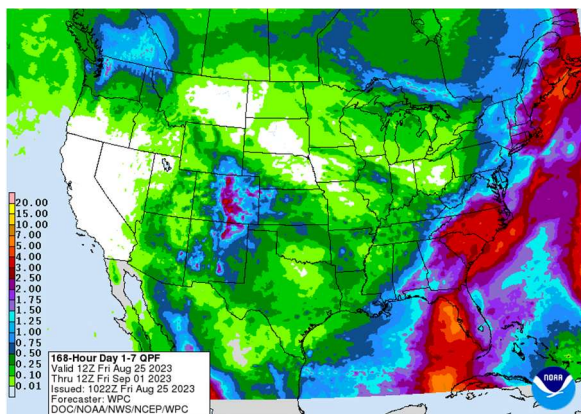


Weather

No big changes. The 7-day QPF is shown at the right. You can see there is “some” precipitation shown in the Corn Belt, but hardly anything to be excited about. The forecast for southwestern portions of the Corn Belt has actually turned a little drier over the past 24 hours. As of right now we can probably expect more of the same for the Week 2 timeframe, with widespread below normal precipitation expected. The incredible heat will start to diminish a little bit today. Excessive heat warnings will be confined to areas south of I-80 and by tomorrow they will be even further south. Temps through the end of the month will be fairly mild through the Corn Belt, with maybe about 6 days of below normal temps in the region. We will see temps heat back up in the 11-15 day period. While it won’t be as hot as we’ve just seen, highs in the low/mid 90s will be possible in spots.



Crops

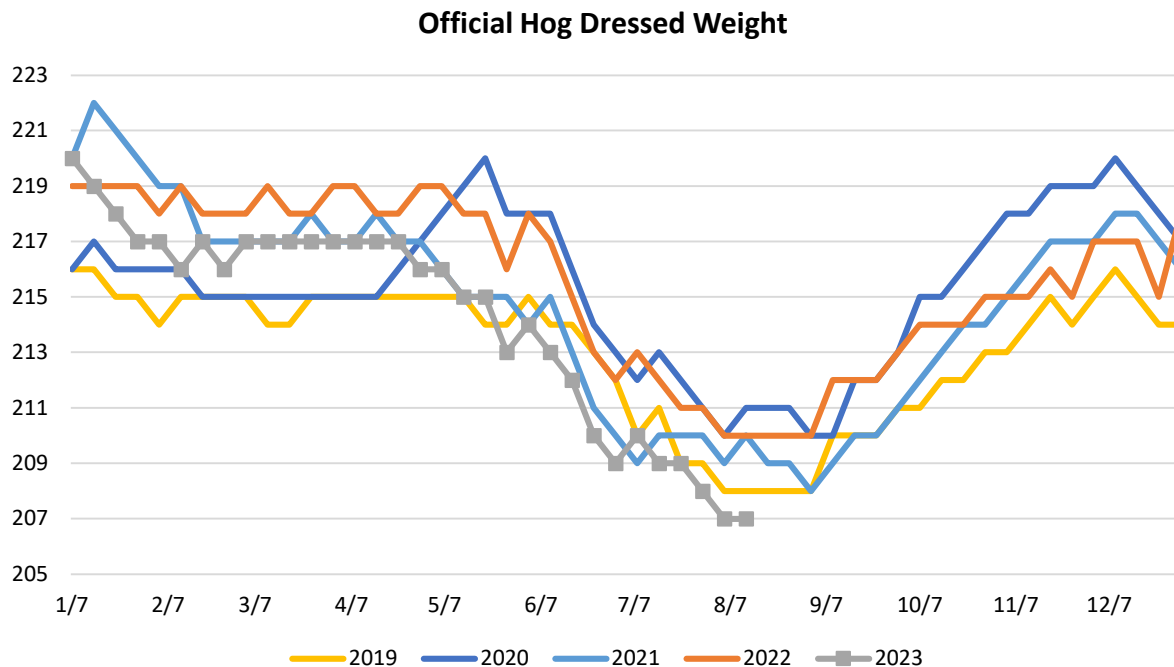
I’m not sure why I didn’t think to include these charts in my earlier commentaries. These charts show the CZ and SX price action in our comparison years. Again, as a reminder, these are all years that saw a sharp decline in condition ratings from early Aug to mid/late Sep. The 2000 and 2003 years probably are not of much help but I kept them on the chart. Relative to 2011 and 2013, however, I think it is interesting to see that CZ generally peaked around this time of year and grinded lower into the fall. SX had maybe another week or two of price strength before rolling over into seasonal pressure. Again, I won’t pretend that these past years are predictive of future price action, but thought it was a good way to wrap up our discussion this week. Thoughts appreciated.





Livestock

Hog weights should be in the process of forming a seasonal bottom here. Note chart below. Weights this year have been running below normal for a while. It'll be interesting to see if the heat has any noticeable impact on hog weights when official data for this past week is released in a few weeks.



Financials

Today is the big day. Fed Chair Powell will give his remarks at the Fed's Jackson Hole retreat. At times this speech has been used to deliver major policy announcements or shifts...we'll see about this year. There are all sorts of opinions on what he might say...unfortunately I have very little value to add on that topic. It is also worth noting that ECB President Lagarde will speak later in the day. It is looking more and more likely, given very soft economic numbers, the ECB's rate hiking days may be behind it. Good luck today.

Energy

An interesting report from Citi yesterday regarding OPEC production cuts. Citi points out that the "fragile five" OPEC members of Iran, Iraq, Libya, Nigeria, and Venezuela are all likely to add to production levels for the duration of this calendar year and into 2024. Iranian production will likely to continue due to Chinese demand and softening US sanctions. Iraq could see production increase when a deal is reached with Turkey over a pipeline. Venezuela is also in talks with DC over sanctions relief. And Nigeria and Libya could manage to increase production if infighting within the countries calms down. All this means that other OPEC nations, actually....just the Saudis, might feel compelled to cut their production further in order to maintain "balance" in terms of supply/demand. The usual question, of course, is how long will the Saudis feel it is in their interest to subsidize the income of other OPEC members at their expense?

Today's Calendar (all times Central)

- Flash U of M Consumer Sentiment – 9:00am
- Fed Chair Powell Speaks at Jackson Hole – 9:00am

Thanks for reading.

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