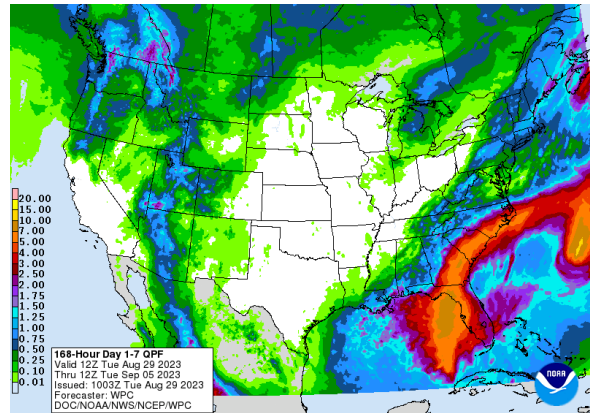
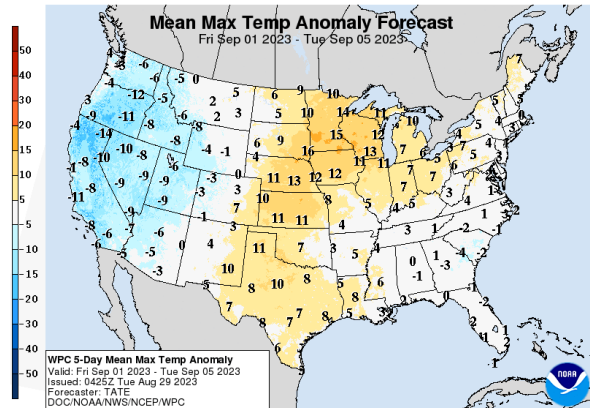


Weather

No big changes to the outlook this morning. Dry conditions for the Corn Belt for at least the next 7 days, as shown to the right. There will be some chances for rainfall to return around Sep 5, but even then those rainfall chances don't look particularly impressive. It is likely that the best rainfall coverage and amounts would favor northwestern portions of the Corn Belt vs. the south and/or east. It should go without saying, but the rainfall shown in the QPF in the Southeast will be from Hurricane Idalia which will make landfall tomorrow.



While we should see some mild temps through the growing regions for another couple of days, we will see heat build back up in the middle of the country in the opening days of Sep. You can see from the map at the right that the Corn Belt will see temps 10F+ above normal in a lot of cases. It should be yet another instance where new record highs are hit in a lot of cases. This heat looks to have some staying power as it remains through the duration of the 15-day forecast and appears likely to continue beyond.



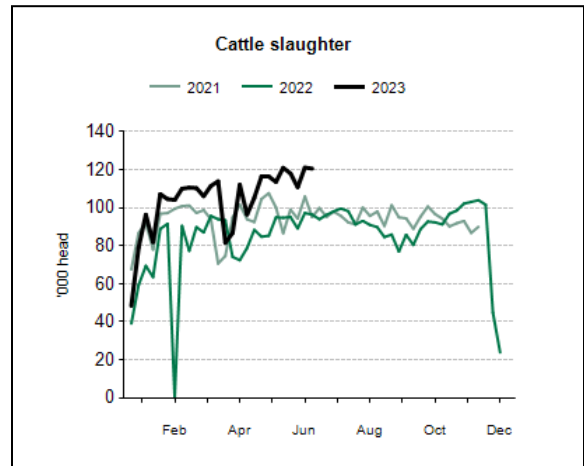
Crops

One impact of the hot and dry weather is that it *should* bring on some harvest pressure faster than usual. The table at the right shows a quick rundown of individual state level harvest updates. In several cases we're running ahead of average but generally speaking it seems that in most cases we're still pretty close to average. I would anticipate that the pace of harvest would likely begin to run ahead of average, but we're not there yet. This early pace of harvest will be important to look at in regards to our Sep 1 corn stocks estimate later next month. We've seen some instances where advanced harvest has impacted the Sep 1 stocks as new crop bushels are used towards old crop demand. As I eye-ball the numbers to the right, it doesn't look to me that this year's harvest total is going to be a statistically significant amount...at least not enough to make a huge impact on the Sep 1 stocks guesstimate. Not much soybean harvest reported yet...LA 19% (16% average) and MS 4% (3% average). I would expect that to start coming on strong soon, however.

Early Corn Harvest Progress			
State	% Progress	Avg Progress	Est. Bu. (1,000)
AL	21%	24%	11,687
AR	24%	14%	37,584
GA	54%	57%	40,403
LA	97%	74%	92,620
MS	44%	33%	55,132
NC	14%	17%	19,345
SC	37%	40%	18,892
TN	1%	1%	1,625
TX	53%	50%	155,078
			432,367

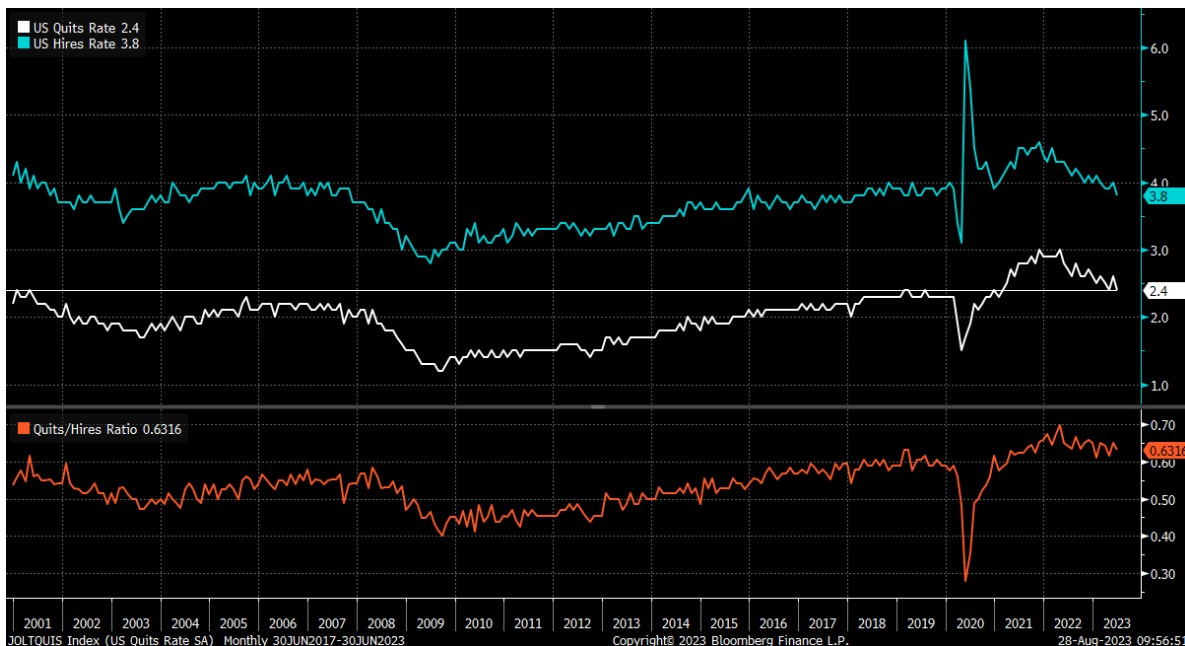
Livestock

A quick update on Australian slaughter numbers, which are updated every Monday. The chart at the right shows the latest update. Kill levels this year are running well above rates seen in the past two years. The herd has been somewhat rebuilt following the multi-year drought and we're starting to see some improvements in production. That being said, it is worth noting that El Nino typically favors drier conditions in Australia. With the current El Nino likely to continue at least through year-end, it'll be interesting to see if there is any impact on the industry that has just now started to benefit from the past few years of retention.



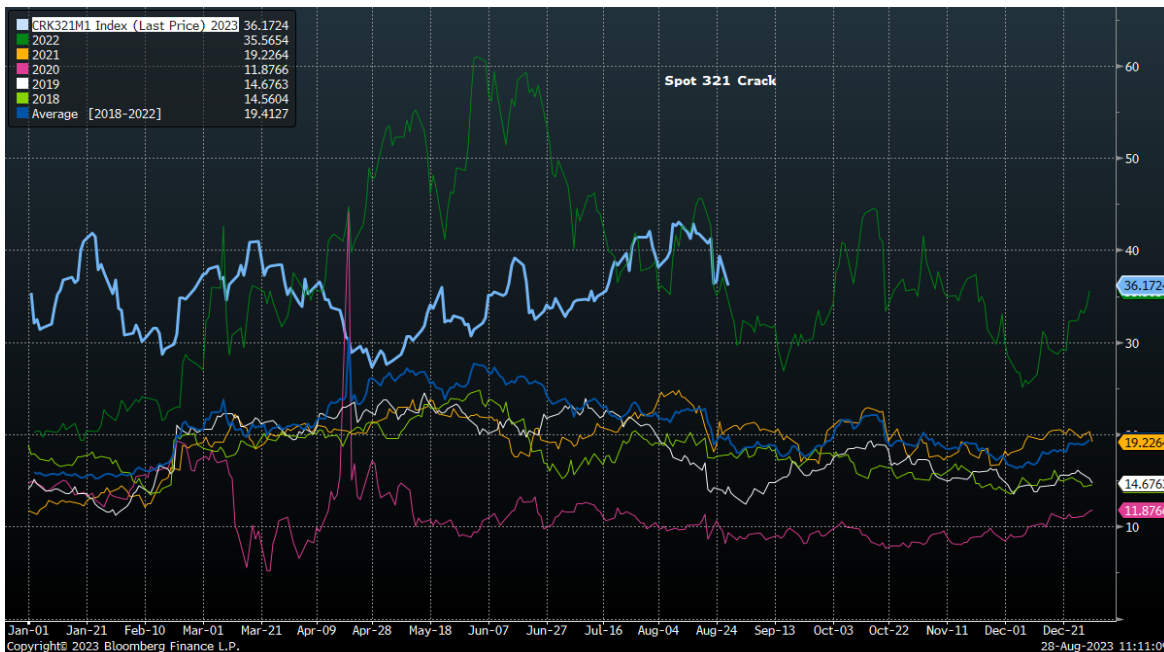
Financials

The monthly JOLTS data is out this morning and will kick off a busy week of employment numbers. It is worth remembering, however, that the JOLTS numbers are a bit delayed. Today's number will be July job openings. Still, I wanted to spend a quick moment on the look of recent JOLTS numbers. The headline JOLTS job openings number has been coming down for several months now, though obviously remains historically elevated. What I'm going to be looking at in today's numbers, however, is the breakdown on quits and hires. The quits rate shows exactly that...the number of people quitting their jobs (presumably to get a better job elsewhere. A high quits rate is thought to be indicative of a strong/tight labor market. The white line in the chart below shows the history of the quits rate, and you see it was putting in record highs in 2022. We've been trending lower and depending on what we get today we might be back to pre-pandemic levels for the first time in a while.



Energy

I was a little surprised by the price action in oil and products yesterday. Given the fact that the third largest refinery in the US had a major fire on Friday and is not running at full capacity, I might have expected that crack spreads would have taken off yesterday. Instead, products got hit yesterday while oil was relatively steady. The result was a sharply lower crack spread. As shown below, we're still historically elevated and basically at the same level seen at this time last year.



Today's Calendar (all times Central)

- JOLTS Job Openings – 9:00am
- Consumer Confidence – 9:00am

Thanks for reading.

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