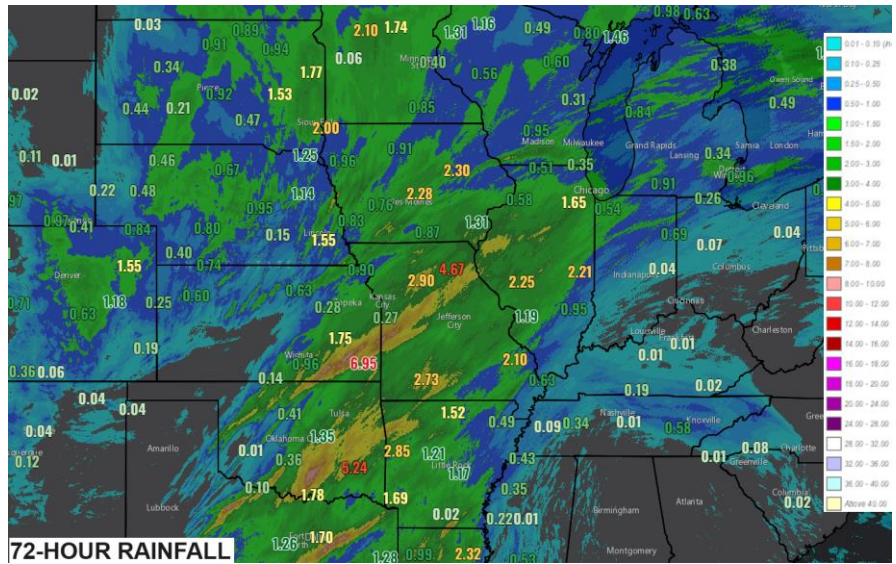


Weather

Our discussion this morning has to start off with a review of rainfall totals in recent days. Big rains in parts of Nebraska on Thursday night were followed by equally heavy (if not heavier) rains in southeastern Kansas, parts of Missouri, eastern Oklahoma and parts of Texas over the past 72 hours. 1+” rains can be seen by the areas of green. At the same time, rainfall was limited over the weekend in Ohio and southeastern Indiana that fieldwork likely continued into those areas, and we also

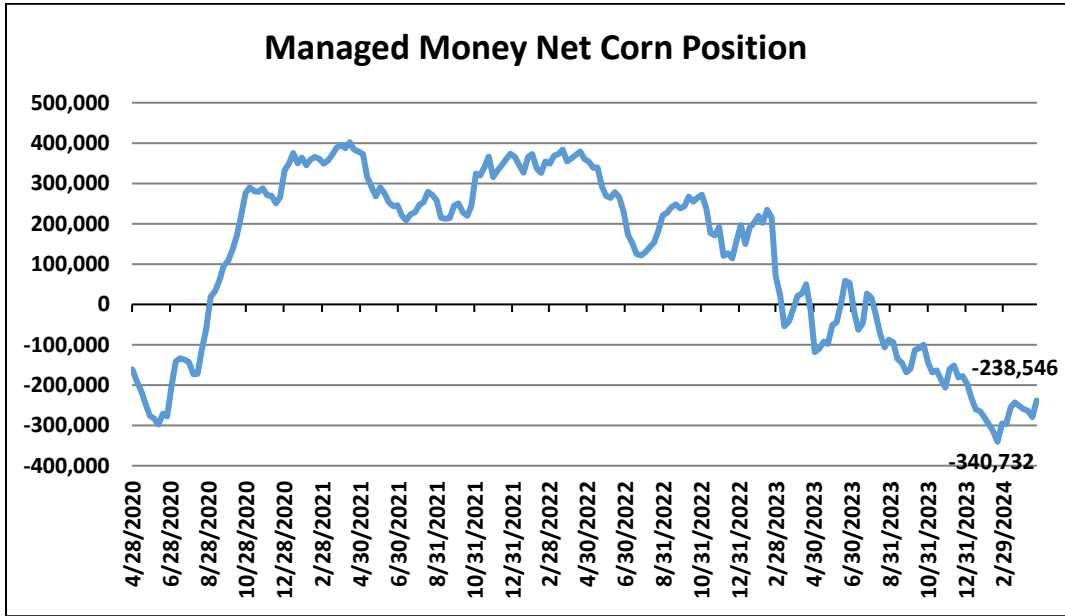


saw weekend rainfall miss a big part of the HRW wheat belt. For areas that have seen enough rain to shut-down fieldwork, it is a big question mark right now on when fieldwork can resume. A fresh weather system will be bringing rains back into the western Corn Belt for late tomorrow / tomorrow night, and that will be the first of as many as four weather systems impacting the Corn Belt for the first week of May. Much of the same area that had widespread 1+” rains since back on Thursday night is very likely to see widespread 1+” rains for the opening week of May. For major corn producing states, the week ending May 5th may find significant planting progress being made only in states such as Ohio, Pennsylvania, and North Carolina.

Much of the safrinha corn area of Brazil is looking at completely dry weather over the next 15 days, while that same period will feature very heavy rains impacting whatever soybeans are left to be harvested in Rio Grande do Sul. Winter wheat areas of Russia are looking at better rain chances for the 6-10 and 11-15 day periods, with temperatures turning notably cool in those time frames as well.

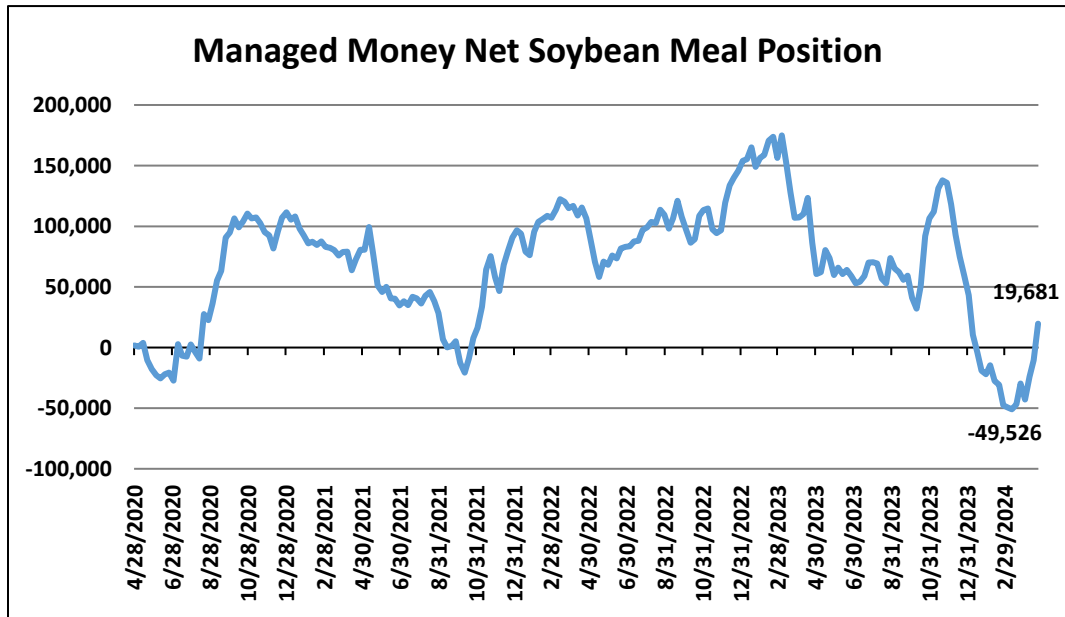
Grains

Friday’s Commitment of Traders report (“COT”) showed that managed money reduced their net short corn position from 280k contracts to 239k contracts (down 41k WoW). The 15% net short reduction marked the highest weekly reduction since 12/5/2023. The market has peeled off ~100k contract from the record large net short position of 341k contracts set on 2/13/2024. Corn rallied 12 cents during the week ending 04/23 but has since slightly declined through 4/28, suggesting that continued that managed money net buying has likely not occurred or perhaps new buying is being offset by declines in the commercial long.



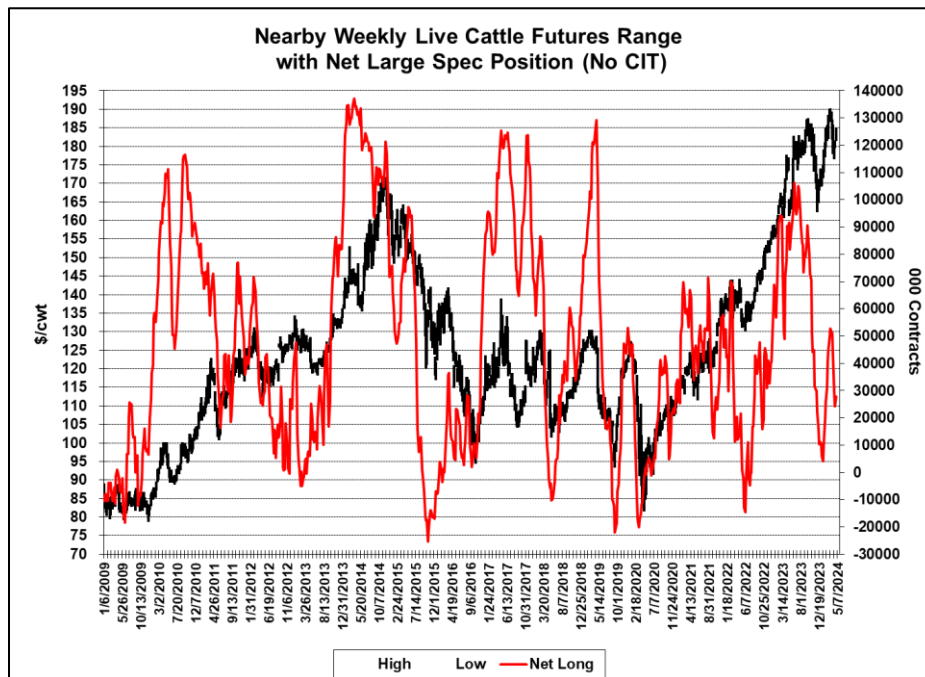
Managed money added ~30k net long contracts to soybean meal reversing their net short position to net long (-10k to 20k). Soybean meal rallied from 336 to 346 for week ending 04/23. Managed money has added 70k net long contracts from their lows on 3/12.

Other notable changes to net managed money positions included a 11.2% increase in soybeans (-168k to -149k), a 21% increase in CBOT wheat (-96k to -76k), a 67% decrease in sugar (35k to 12k), and a 74% decrease in cotton (36k to 10k).

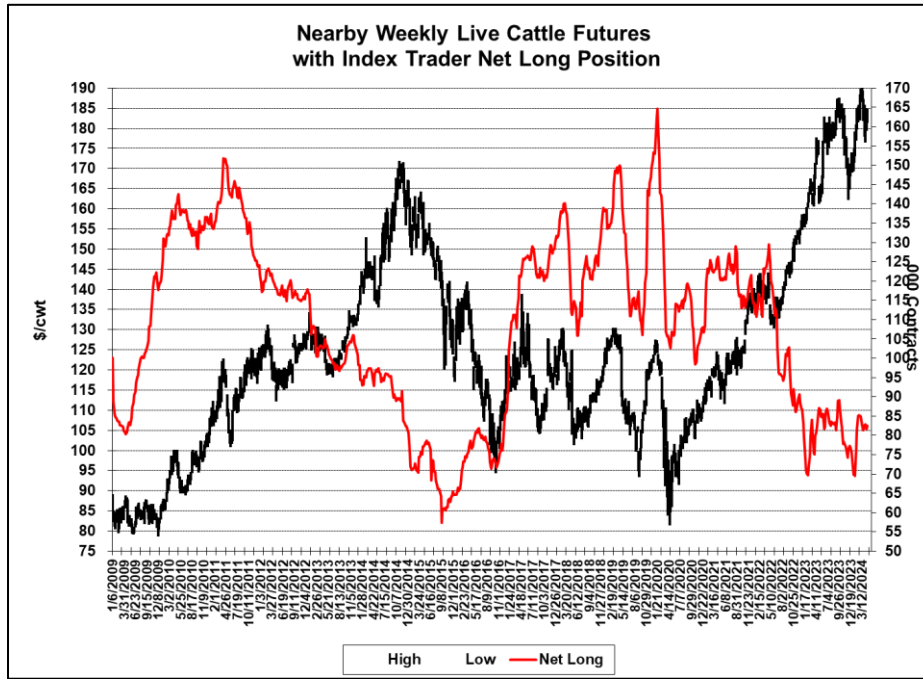


Livestock

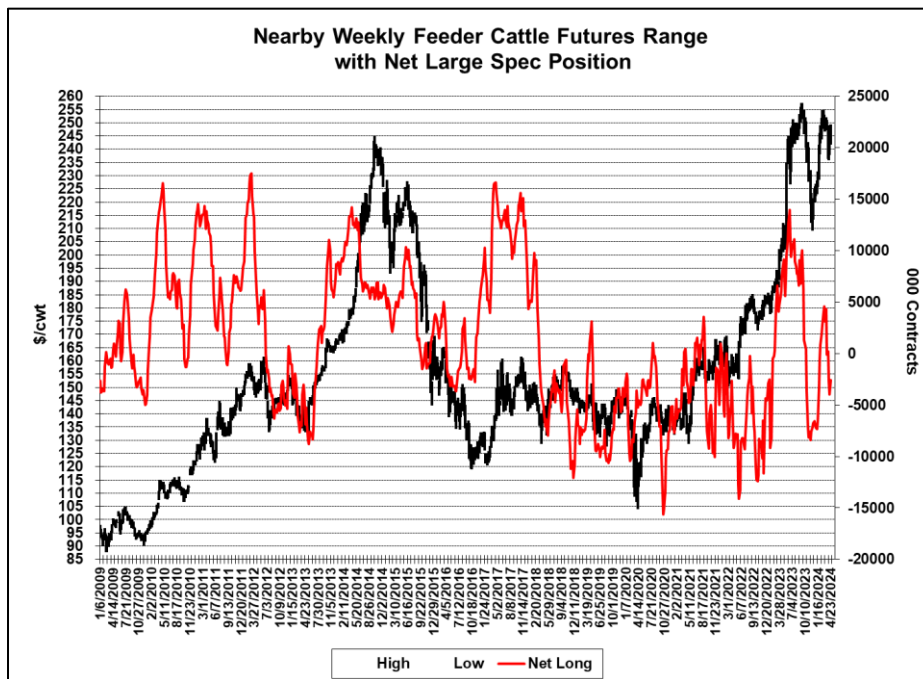
The latest COT report indicated the total open interest in cattle declined about 2,800 contracts, to 370,000. However, the large spec net long increased about 3,800 contracts from the seasonally small volume a week earlier, perhaps signaling a renewed buying interest from this key player. However, from Wednesday to Friday, open interest increased a mere 1,600 contracts, despite the sharp rise in futures prices to close the week—but, a significant re-engagement from the large spec is not readily apparent, at least not yet. Or, perhaps new buying from the large spec is being offset by declines in the commercial long.



The index net long in cattle continues to languish near some historically small volumes, around 82,000 contracts. That modest commitment from the index funds has characterized much of the past year with their net long ranging from 70-85,000 contracts—a much narrower range and much smaller total than prevailed during the 2017-21 period. Is this shift transitory or a more permanent down shift in speculative participation?



The large spec continues to command a net short in feeder cattle, although slightly smaller than a week earlier. Considering the general underlying fundamentals—tightening feeder cattle supplies and historically strong prices—even a modest net short at this juncture is a bit of a surprise. Odds seem to favor prospects the net short will be covered in the weeks ahead along with some new buying to boot.



Today's Calendar (all times Central)

- Export Inspections – 10:00am
- Crop Progress – 3:00pm

Thanks for reading.

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