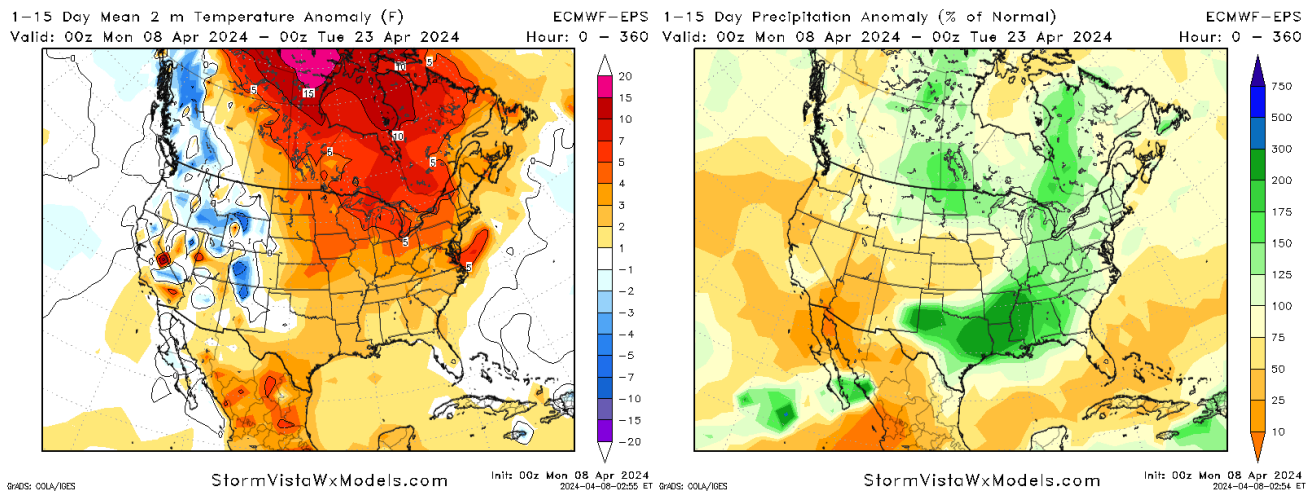


Weather

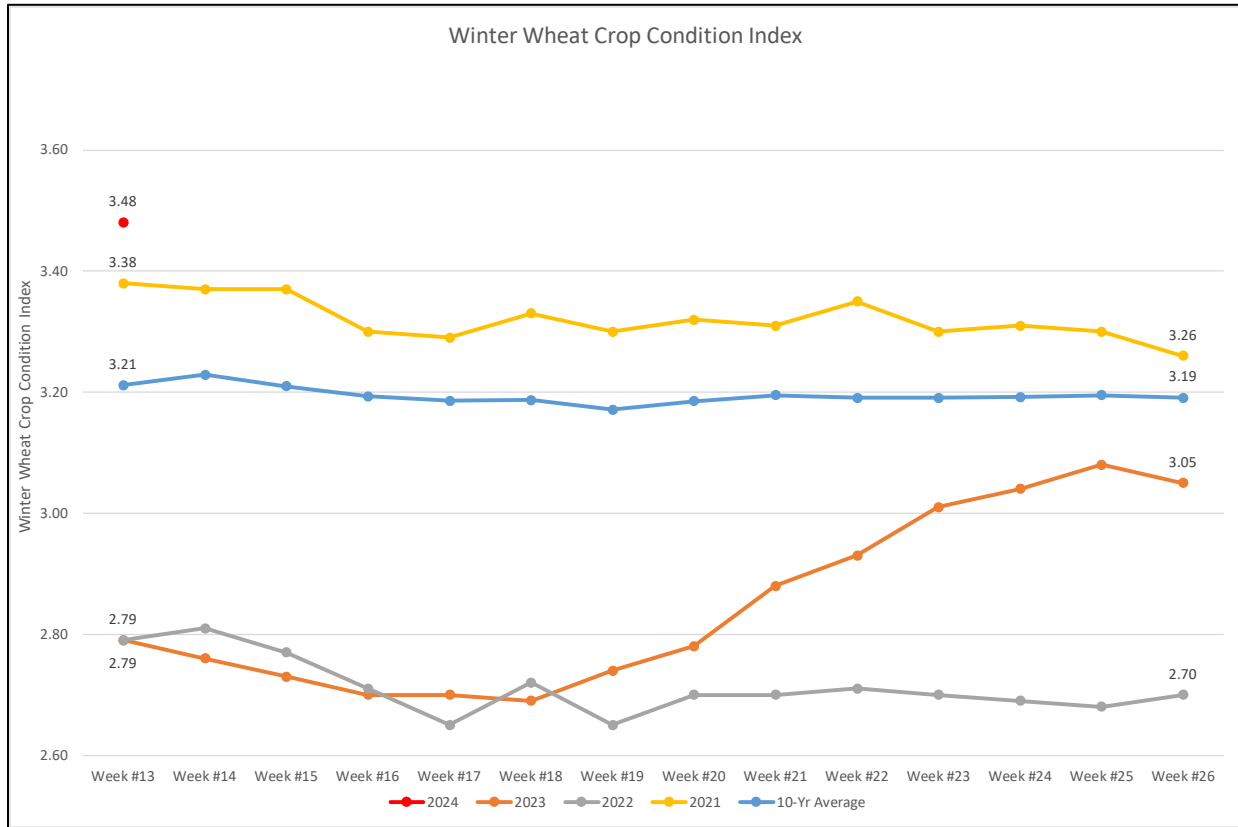
The 15-day temperature anomaly and 15-day % of normal precipitation forecasts (from the latest European ensemble) can help us to determine when U.S. farmers will be able to start fieldwork. The Mid-South is forecast to record more than DOUBLE their normal rainfall over the next 15 days. Much of that precipitation will fall for today through Thursday, but there is another wet period that will start around April 17. I would think the dry weather window from April 12-16 will not be long enough to allow much fieldwork to get done. The eastern / southeastern Corn Belt may see some fieldwork for today and tomorrow, but that window will close by Wednesday / Thursday as a lot of rain moves into that area. The northern Plains is looking at very limited precipitation for Week One (along with a lot of above-normal temperatures) to allow for fieldwork to get done, but their forecast has trended wetter for Week Two (note the forecast for above-normal rainfall amounts over the next 15 days in North Dakota as well as in the eastern part of the Canadian prairies). It is Kansas, Nebraska, Iowa, and northwestern Missouri where fieldwork opportunities look best over the next 15 days, with temperatures forecast to run above-normal while rainfall runs below-normal.

The next 10 days look very wet for ALL safrinha corn areas of Brazil, and that rain will be very welcome for more southern parts of the growing region. Heavy rains will stall the soybean harvest in Rio Grande do Sul for the next ten days, with Argentina looking at heavy rains confined to mainly the 6–10-day period.



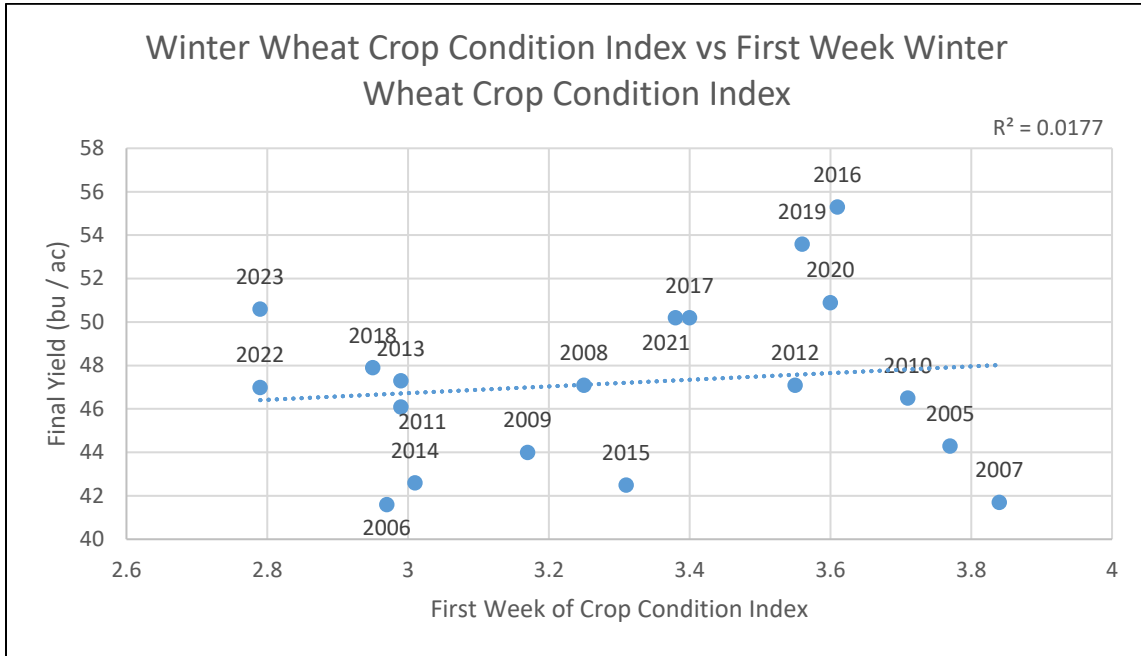
Grains

Winter wheat conditions along with planting progress will be released today at 3pm. Last week, winter wheat recorded a 56% excellent / good rating compared to 28% last year. The first week of the 2024 winter wheat crop condition index was a 3.48 which was the highest starting point in since 2019. 10-yr average winter wheat conditions tend to be rather flat after the first week but there is small tendency for conditions to marginally worsen. Winter wheat yield is largely affected by weather in late April and in May when the crop is sensitive to heat.



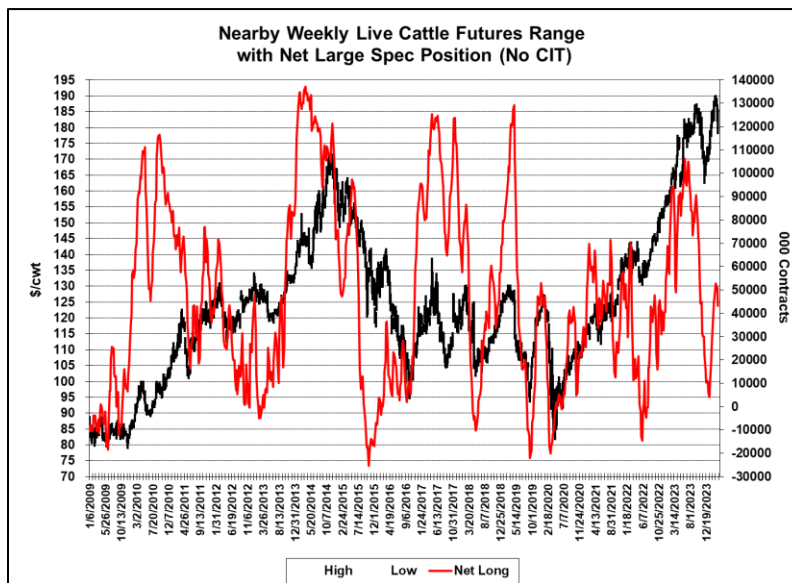
Note: Crop condition was calculated using the following formula: $Condition = (5 * excellent + 4 * good + 3 * fair + 2 * poor + very_poor) / 100$

Crop conditions often receive a lot of attention because it is considered the “best” measure to track crop health. The truth is that there is very little correlation between the first week of winter wheat crop conditions and the final yield. The correlation improves if the **last** week of winter wheat crop conditions are used but even then, the correlation is weak as the R^2 value is only $\sim .2$. Crop conditions are a tool but they should not solely be relied upon to predict yield.

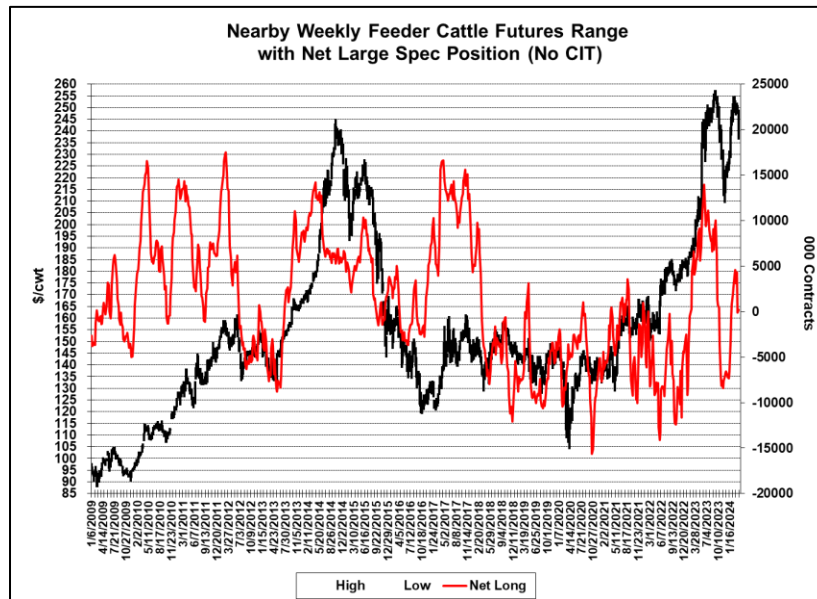


Livestock

For the week ending 4/2, total open interest in cattle (futures and options) was reported at 426,000 contracts, up 3,300 from a week earlier. Total open interest has increased about 67,000 contracts from the early February low of ~359,000, but is still about 15-20,000 below the seasonal peak established in the late winter and early summer of last year. The large spec net long, however, declined about 7,800 contracts during the week, while the index net long increased 1,300, for a net decline around 6,500. Offsetting the decline in speculative net long was an increase in the commercial long and in spread positions.



In contrast to the rise in cattle total open interest, feeder cattle total open interest dropped 7,500 contracts during the week ended 4/2. The large spec net long, which had climbed near 4,300 contracts in mid-March has slipped to a near flat position in late March and early April, far below last year’s seasonal peak near 14,000 net long in early summer.



Today’s Calendar (all times Central)

- Export inspections – 10:00am
- Crop progress – 3:00pm

Thanks for reading.

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