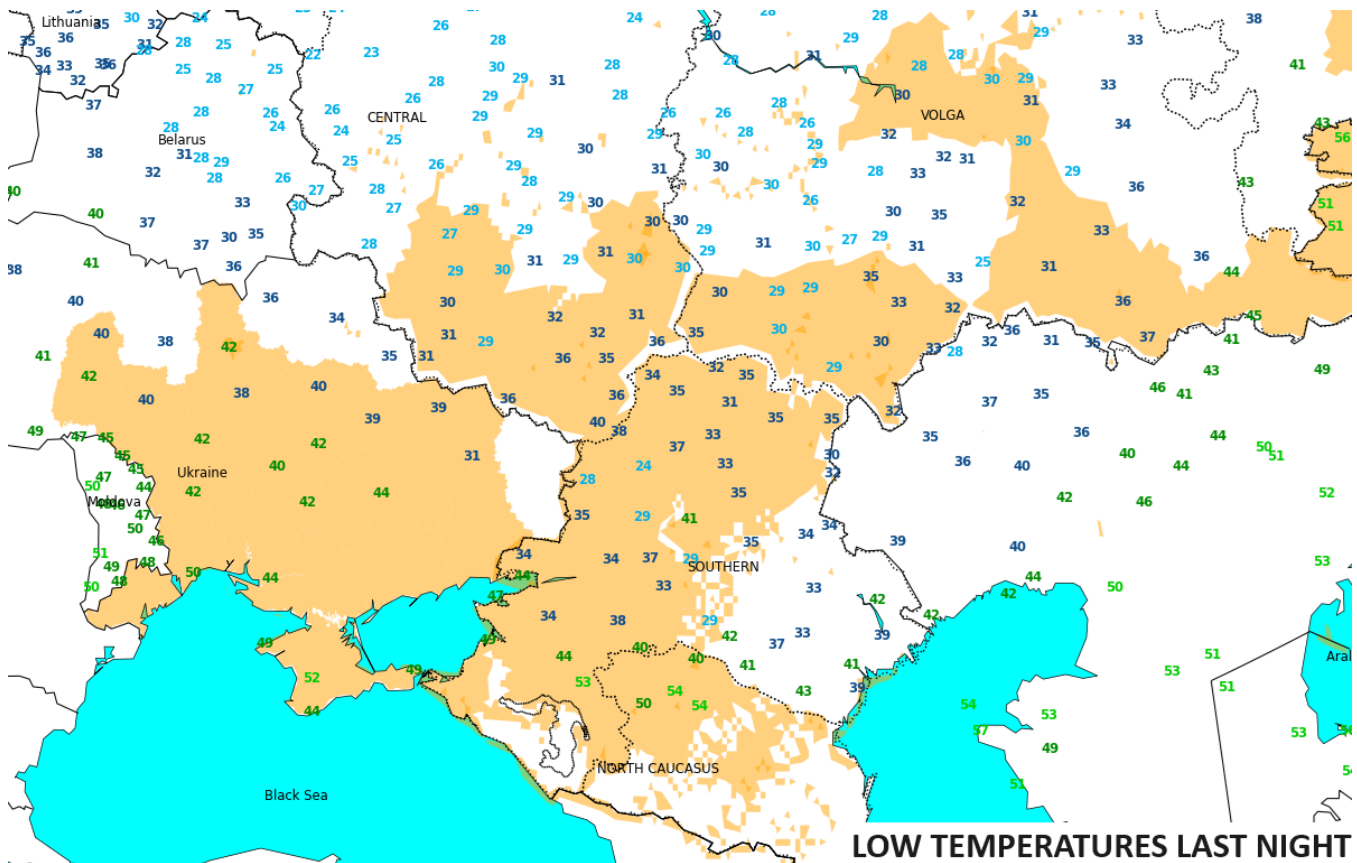


Weather

Weather in the main winter wheat areas of the former Soviet Union has been getting a lot of attention in the wheat market in recent weeks. Dryness has been an issue, and the forecast right now still does not look to feature enough rain to eliminate those dryness concerns. Of more importance as of late has been cold temperatures, as a large part of the area had sub-freezing temperatures last weekend and the map on this page (with the main winter wheat growing areas shaded) shows that additional sub-freezing lows were recorded last night in a sizable part of the area (with last night's temperatures coming in colder than expected). While Russia has problems with their wheat crop, things are "looking up" for winter wheat areas of the southern Plains as some very nice rains look to fall there for tomorrow night into Monday and again for Wednesday/Thursday (May 15-16). Right now, it looks like the entire HRW wheat belt stands an excellent chance of recording very beneficial 1+'' rains next week.

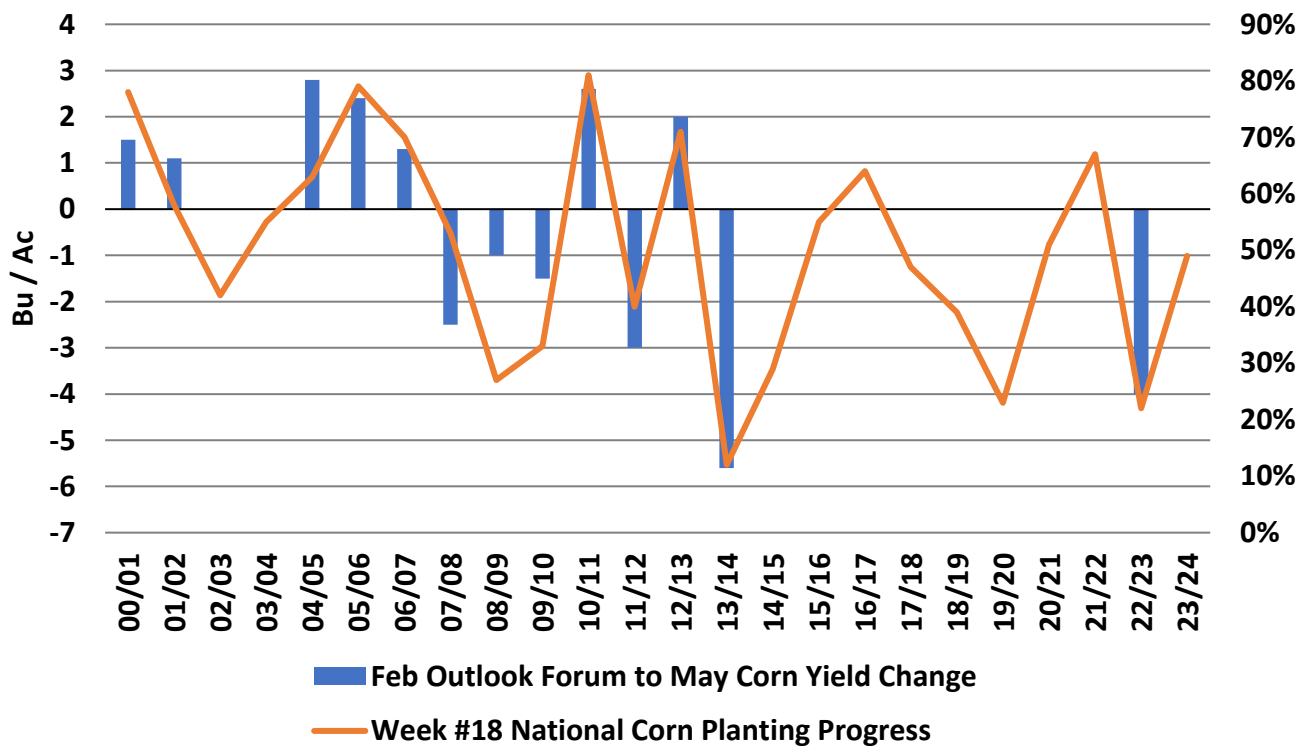
The northern Plains, Corn Belt, and Mid-South are looking at mostly dry weather through the weekend, with that dryness extending through early Wednesday in the northwestern Corn Belt and for most of Week One in the northern Plains. Rains in the southeastern Corn Belt and Mid-South by Monday/Tuesday will be enough to shut-down fieldwork operations again in those areas. The 15-day forecast looks especially wet for southern parts of the Mid-South/Southeast with heavy amounts expected to fall.



Grains

National corn yields that are released as part of the May, June, and July WASDE are “model-based” while August through November yield estimates are based on large scale farmer and field measurement surveys. From 1993-2012, May yields were calculated based on simple trend analysis of historical yields with some adjustment for planting progress. You’ll notice in the below chart that corn yields were adjusted higher or lower based on planting progress. In 2013, USDA adjusted their methodology so that corn yield forecasts were calculated based on a weather adjusted model. The weather adjusted model considers mid-May planting progress and various weather metrics including July precipitation, July temperature and June precipitation shortfall. The change in methodology has meant that USDA very rarely changes their February corn yield assumption in May. This has only occurred once over the last ten years when USDA adjusted their 22/23 corn yield from 181 to 177. In fact, USDA very rarely adjusts their corn yield from February to July. Over the last ten years, this has happened only three times. Recent history and the current US weather shows that USDA will likely not adjust their corn yield in the May WASDE report.

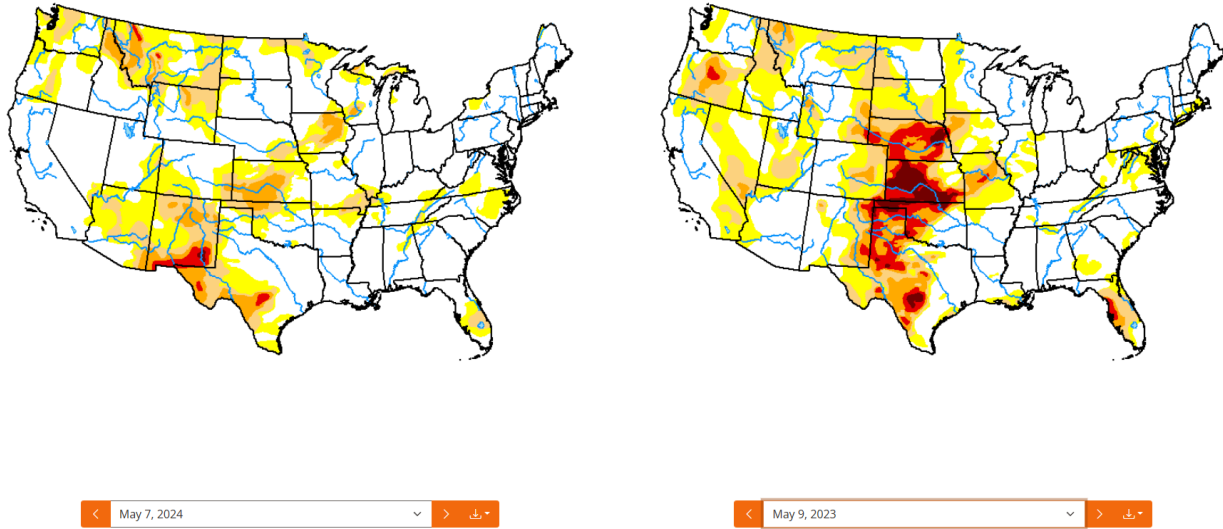
New Crop: USDA Yield Change from Feb Outlook Forum to May WASDE vs Week #18 National Corn Planting Progress



Livestock

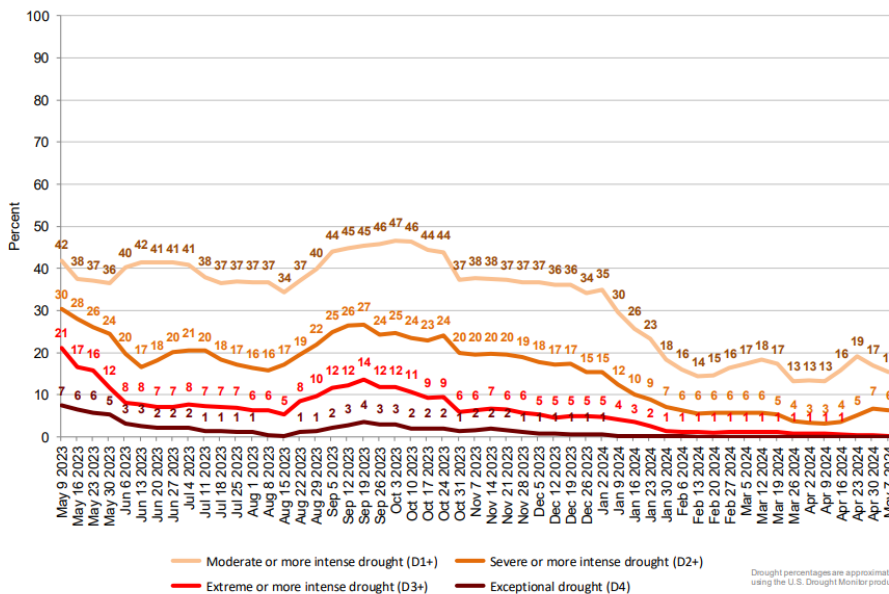
The summer grazing season is just beginning and conditions are much improved from a year ago when a significant portion of the Plains states, Pacific Northwest, and Florida were facing various degrees of severe and extreme drought. With summer grazing prospects “iffy”, at best, stock ponds low, and feed and forage prices still elevated, it’s little surprise that the beef cow herd continued to shrink and heifer retention remained at a

low ebb. Despite the general improvement in recent months, a few areas of concern remain—portions of the Northern Plains, West Texans, New Mexico and Western Kansas. And, some of the more drought damaged areas may require another year of recovery before stocking rates are restored to normal.

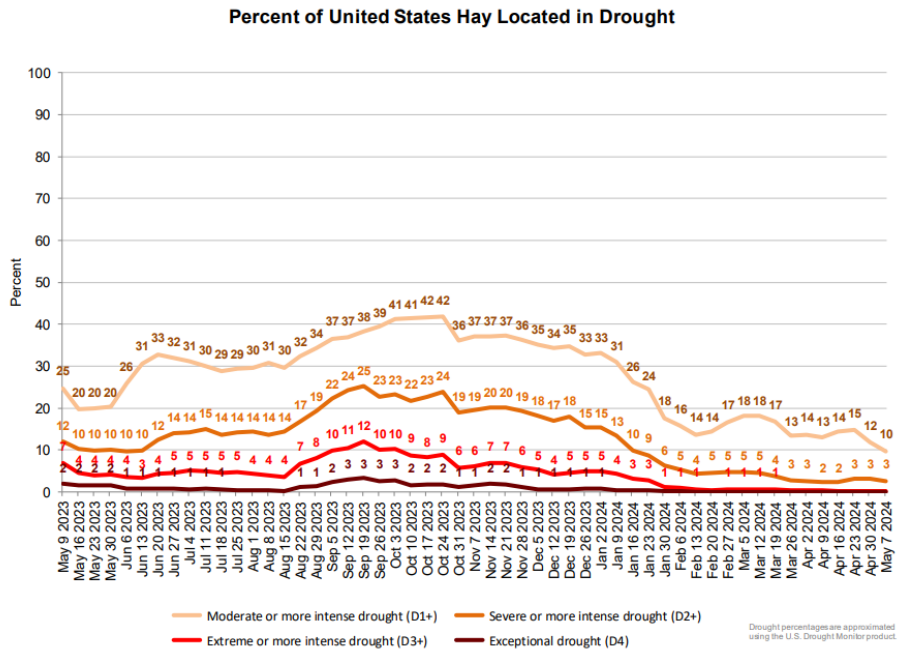


Through much of last year, a third to nearly a half of the cattle inventory was located in some degree of drought. Beginning this grazing season, that percentage has shrunk to around 15%. With above normal precipitation projected for significant areas during May and meteorological summer, the percentage of the inventory subjected to drought should remain limited.

Percent of United States Cattle Located in Drought



Hampered by limited production and elevated use, hay stocks in recent years have sunk to historic lows while prices have skyrocketed. Similar to the cattle inventory, a significant portion of hay acreage faced drought conditions during the past year, but that percentage has slipped toward single digit levels at the beginning of the 2024 growing season. Replenishing forage supplies, at more moderate prices, will be a key element affecting herd rebuilding plans in the months ahead.



Today's Calendar (all times Central)

- Michigan Inflation Expectations– 9:00am
- Michigan Consumer Expectations – 9:00am
- WASDE – 11:00am
- Various Fed speakers throughout the day

Thanks for reading.

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