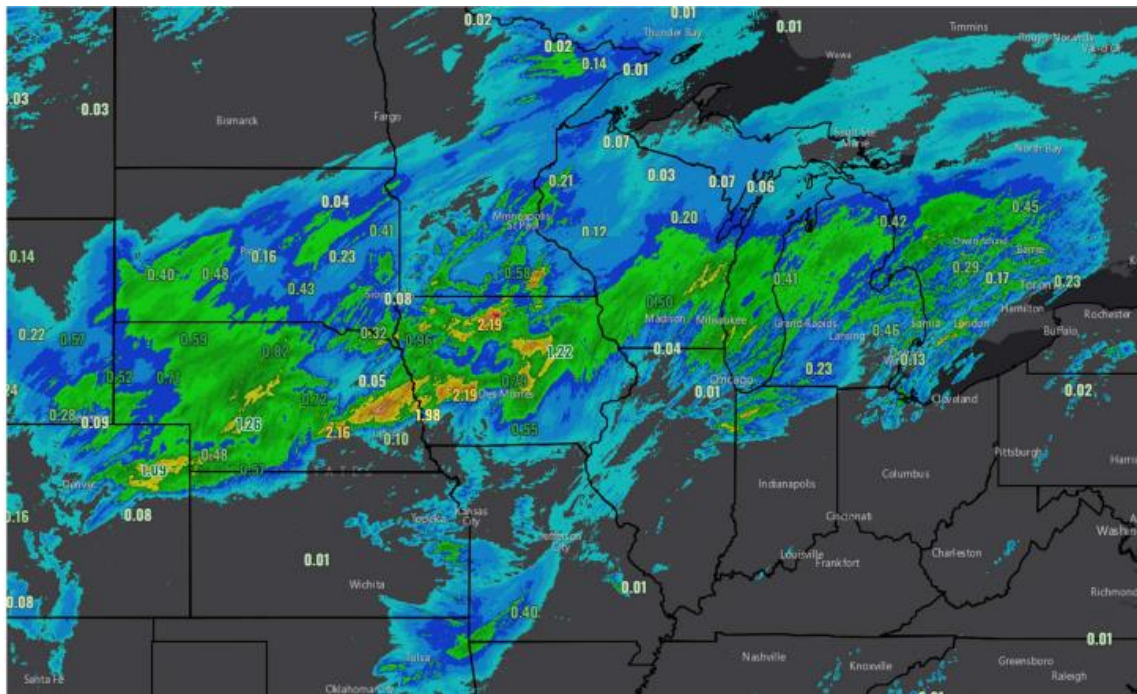


## Weather

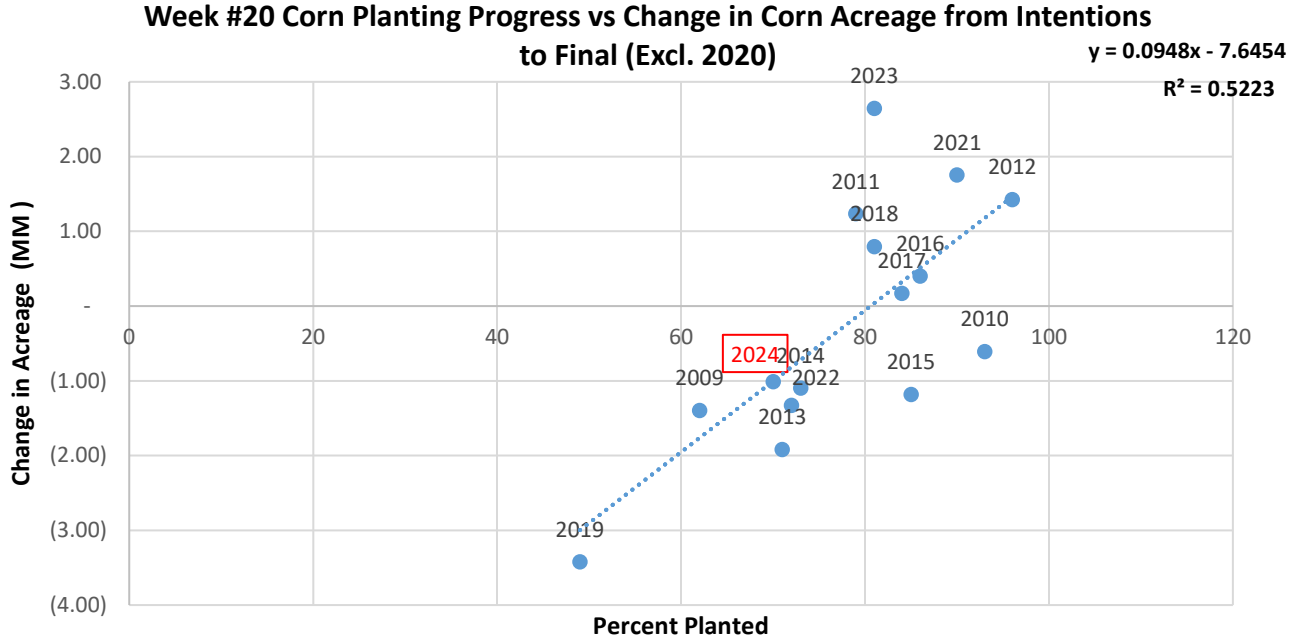
The next 24-hours will feature a rough stretch of weather for much of the western Corn Belt. There are already issues early on this Tuesday as overnight thunderstorms brought widely scattered areas of high winds and big hail to Iowa and Nebraska. Heavy rains are now falling. All or parts of 15 counties in Iowa were under flash flood warnings at the time of this writing. The western Corn Belt will likely feature a major outbreak of severe weather that is still to come. A big part of Nebraska and far southwestern Iowa were already under a severe thunderstorm watch early today, but it is a line of thunderstorms forecast to form in western Iowa for early/mid afternoon that is going to draw the most attention. That line of thunderstorms will be racing eastward causing all sorts of very strong winds and tornadoes.

Despite the above, there are still going to be areas of the Corn Belt able to get fieldwork done today. It will be dry today in Michigan, Ohio, Indiana, southeastern Illinois, and southeastern Missouri, and some of those areas will be able to get some fieldwork done even for tomorrow. Thursday night through about May 27 still looks to be another time frame to expect significant rainfall in a big part of the Corn Belt. Model agreement on details of the rainfall forecast for that time frame are poor but estimates assume at least an inch of rain for big part of the corn belt.

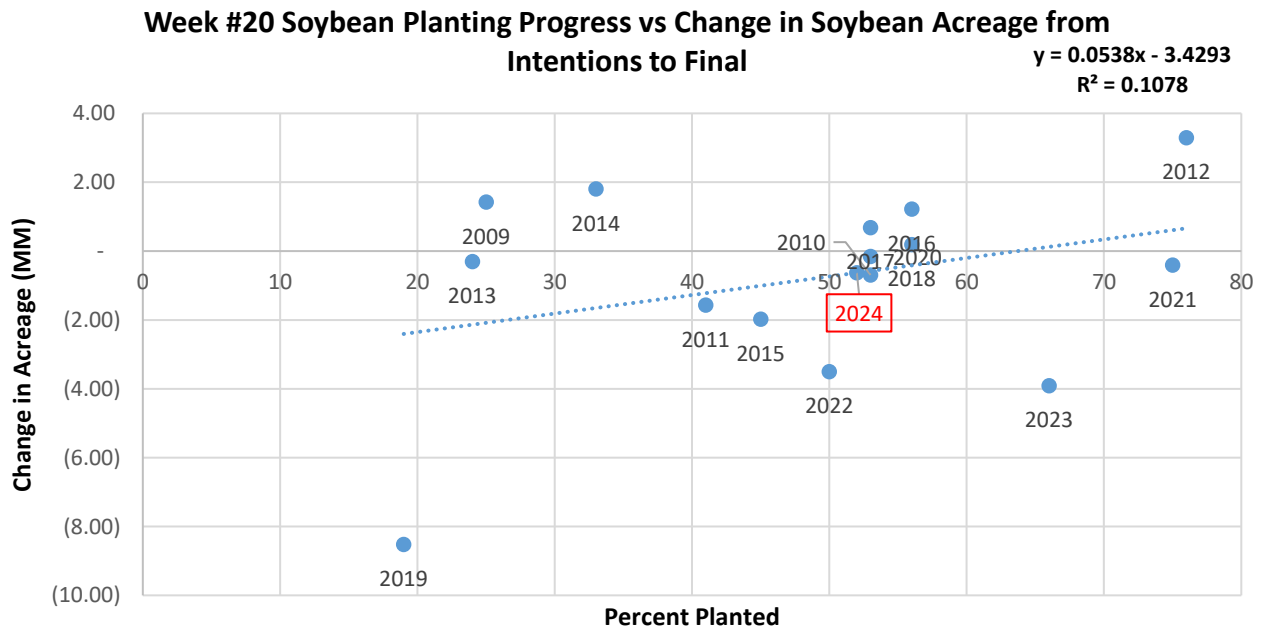


## Grains

Corn planting progress was reported at 70% through Week #20 which represents the 8<sup>th</sup> slowest corn planting progress pace since 1980. There has been a lot of speculation on acreage adjustments amid ongoing rainfall that has plagued the corn belt during planting season. It's likely too early to make definitive claims on acreage adjustments until we get into the early to middle parts of June but I think it's worth considering today. There is a modest correlation between Week #20 corn planting progress and change in acreage from intentions to final. The R<sup>2</sup> value of the scatter on the next page is ~0.5 which suggests that half of the variance is explained by the model. At 70% planted, 2024 would equate to a reduction of ~1mm corn acres from intentions to final.

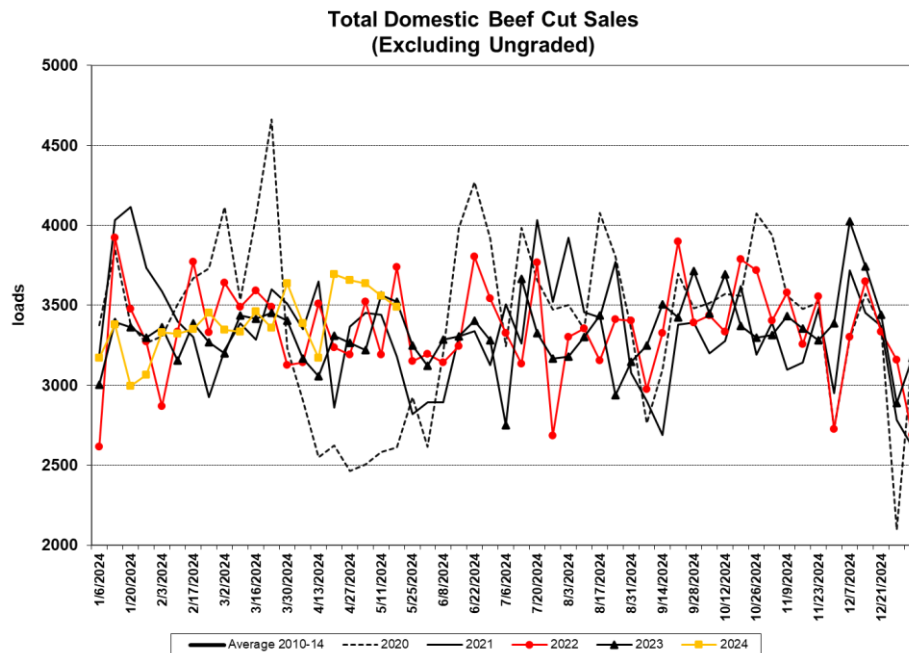


The scatter is not nearly as strong for beans through Week #20. The R<sup>2</sup> value is only ~0.11 suggesting very little correlation. The correlation improves but is not necessarily significant in later planting progress weeks.



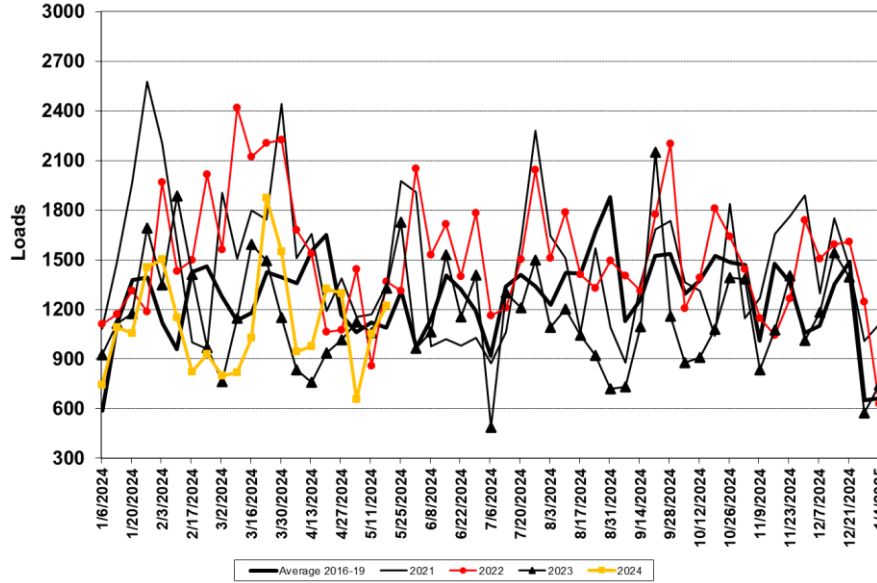
## Livestock

Despite the general optimism associated with sharply higher beef prices last week—presuming higher cutout values will support further increases in the cattle market—limited beef sales volumes are less supportive. The surge in beef prices was underpinned more by the threat and subsequent realization of kill cuts and lower fed beef production, rather than a surge in buying interest. Fed cattle slaughter last week slipped to around 482,000 head, more than 20,000 below a week earlier; a drop of more than 4% during a period when typically kills would be rising seasonally ahead of the late-month holiday. Amid that created supply tightness, buyers scrambled to cover merchandising needs. Still, beef cut sales last week were smaller than the previous week, reinforcing the notion that the price surge was less a function of buyer interest than the created supply tightness. Then, a subsequent rebound in slaughter/production likely will be accompanied by a weaker price undertone.



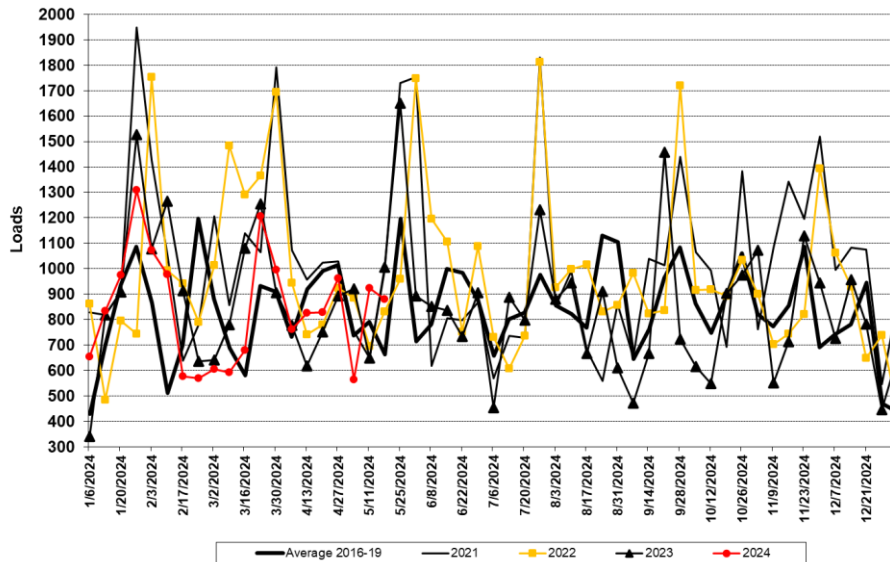
Although forward bookings last week were slightly larger than a week earlier, out-front sales have largely been well below the last couple of years. Absent those out-front commitments, retailers have been significantly less aggressive in their feature and promotional efforts. Historically, a significant portion of beef movement at retail is accomplished on a “special” price. Less aggressive promotional efforts imply higher average beef prices and likely reduced consumer off-take—suggesting the surge in spot beef prices will be a challenge to sustain.

Forward Bookings  
 Negotiated 21+ Days, Forward Contract



Similar to the lackluster interest from domestic beef buyers in recent weeks, foreign buyers also have been cautious. Beef exports through the JFM quarter were about 6% smaller than last year and weekly sales in recent weeks does not suggest much improvement heading into mid-year.

Export Sales  
 Comprehensive Cutout



### Today's Calendar (all times Central)

- Various FOMC speakers

Thanks for reading.

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