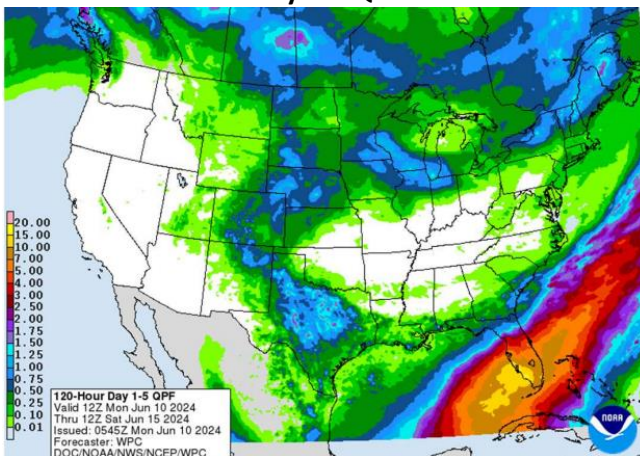


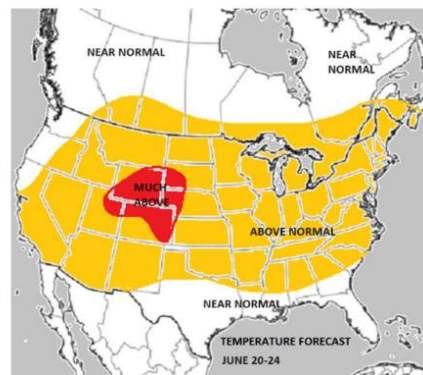
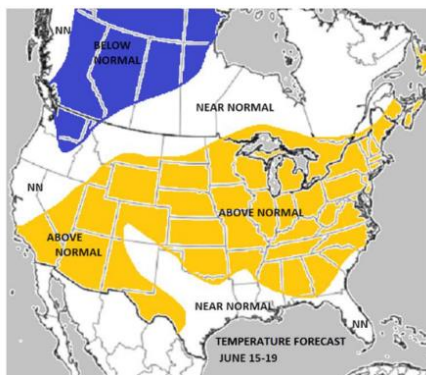
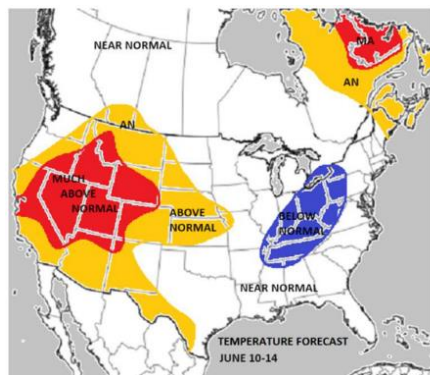
Weather

Day 1-5 QPF from the Weather Prediction Center is shown on the right. Through most of Wednesday, rainfall is going to be extremely limited in the middle of the country; largely confined to Texas (where totals will be notable) and in the northern Plains (where totals will be light). All other rain shown is not going to start falling until Wednesday night. There are chances for rainfall daily through Friday (end of period). Late Wednesday/Wednesday night still looks to be the time frame when the pattern features “ridge rider” and “ring of fire” thunderstorm activity for the Corn Belt. It may be a situation where such activity is recorded “somewhere” in the Corn Belt on a DAILY basis from Wednesday through the rest of the 15-day forecast (which today goes through June 24).

Day 1-5 QPF



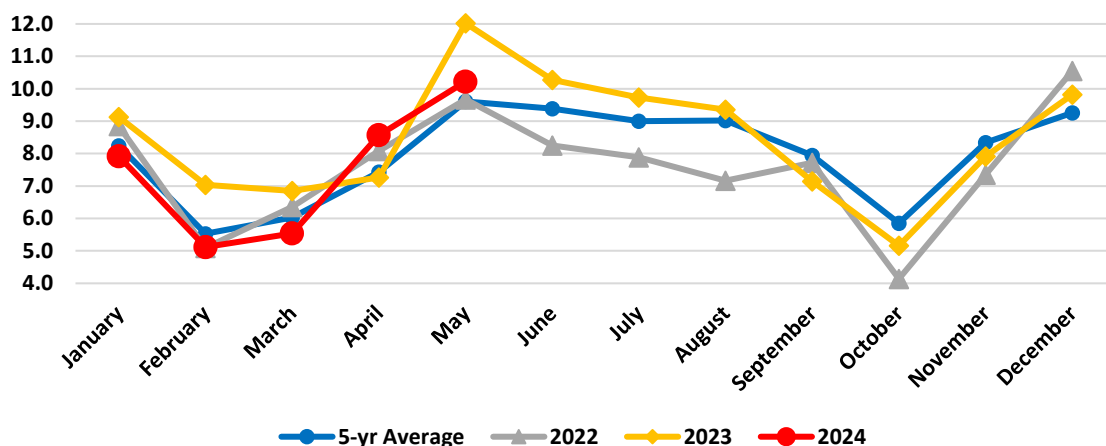
Temperature readings will go a solid distance above normal for Wednesday and there will be no backing off from that for the rest of the 15-day forecast. Today’s weather models are showing warmer trends versus what was shown yesterday.



Grains

China imported 10.22mmt of soybeans in May per Chinese customs data that was released last Friday. This brought their YTD soybean import total to 37.4mmt which represents a 5.4% YOY decline. China was active in securing soybeans in 2023 following Brazil’s record large crop but they have not been as aggressive to date in 2024.

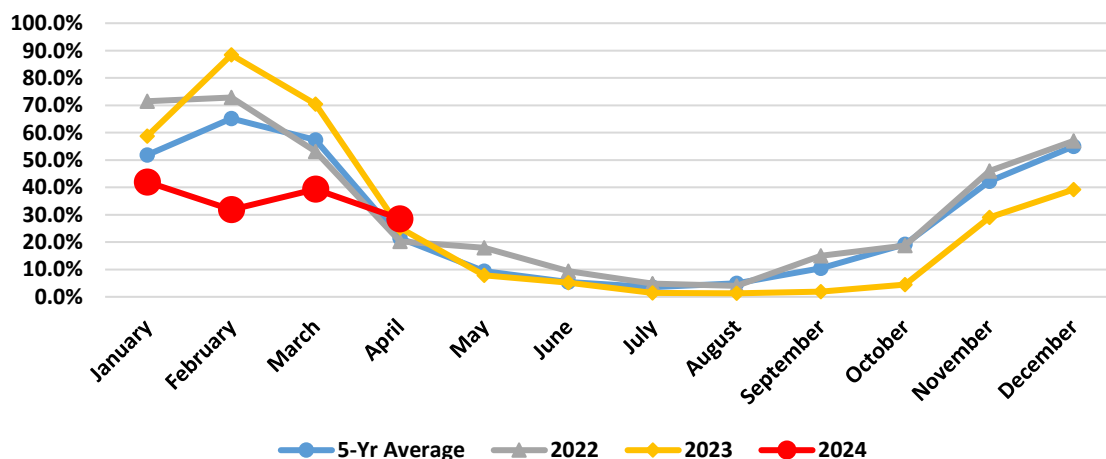
China's Monthly Soybean Imports (MMT)



The US' percentage of soybean imports to China in 2024 has been far below recent history. Through the first four months of the year, the US has averaged ~35% of total soybean imports to China. This compares to ~60% in 2023, ~54% in 2022, and ~49% over the five-year average. FOB prices in the US are near parity with Brazil and it appears that the US could be "getting back into the game" by selling two cargos to China on Friday. Historically, nearly all export business has shifted to South America from June through August until the US harvest in the fall. It will be interesting to see if this trend continues or if the recent Brazilian tax adjustment could shift some Brazilian selling to the fall to directly compete with the US.

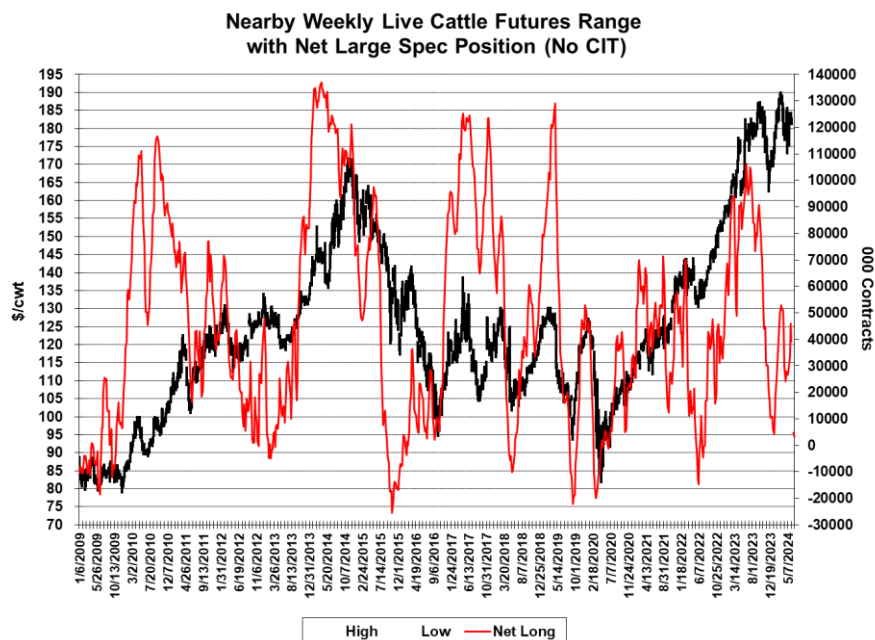
Ongoing questions remain about the Brazilian soybean crop (there is still a ~6mmt estimate different between USDA and Conab for the 23/24 crop). China has also yet to purchase new crop soybeans from the US. I won't speculate on China's trade strategy but bears suggest that China is attempting to reduce trade with the US for political reasons while the bulls suggest that there is "pent-up" demand for new crop US soybeans. Thoughts appreciated as always.

US Percentage of Total China Soybean Imports

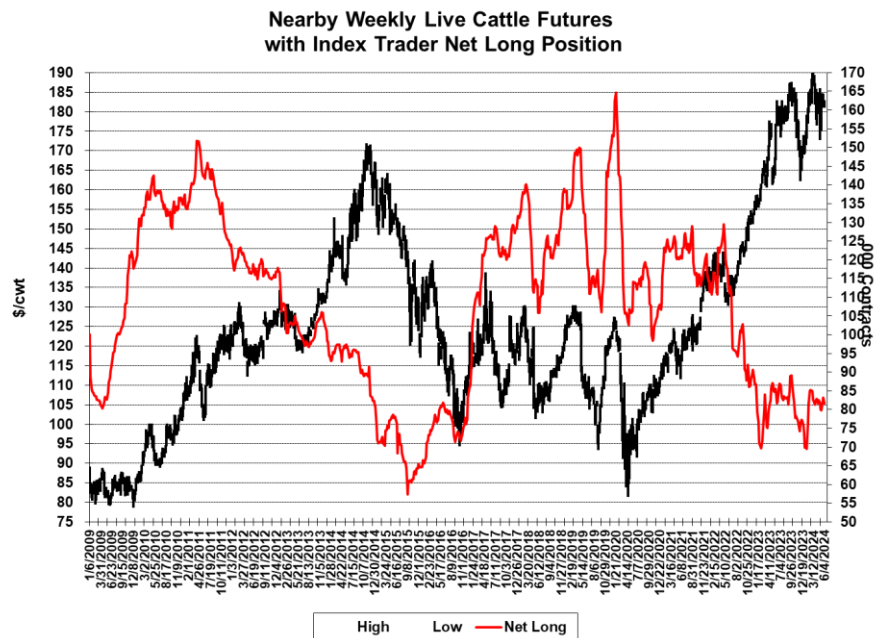


Livestock

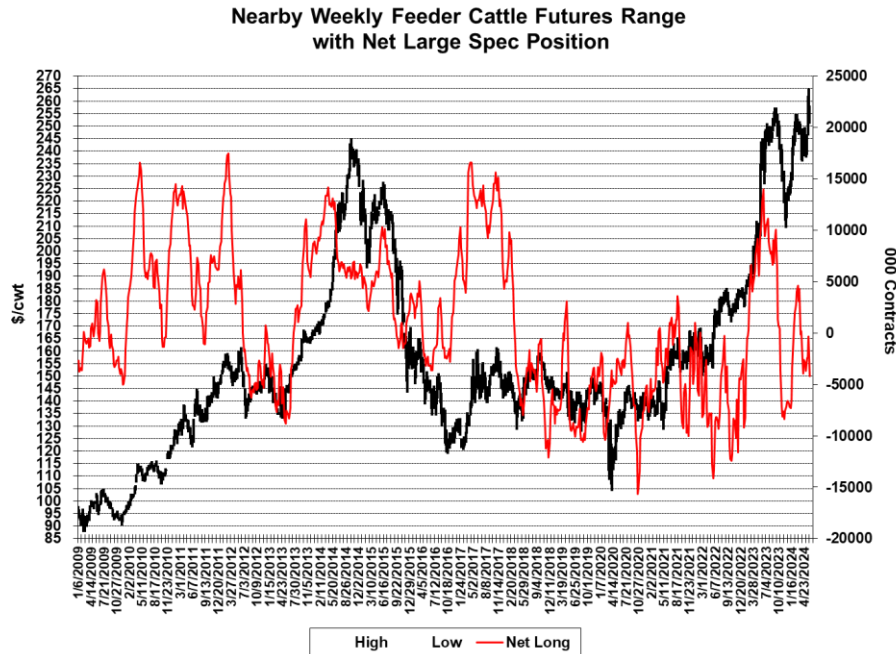
Total cattle open interest (futures and options) increased more than 4,000 contracts during the week ended 6/4. However, after increasing more than 12,000 contracts during the previous week, the large spec net long declined more than 6,800 contracts. In addition, cattle open interest declined more than 10,000 contracts later in the week, suggesting that the large spec net long likely eroded further by weeks end.



Besides the smaller large spec net long position, the index fund net long commitment eroded, as well, slipping more than 1,500 contracts from a week earlier. Combined, the large spec plus index fund net long declined nearly 8,400 contracts, relinquishing a large portion of the net long added during the previous week.



After covering much of their net short position in feeder cattle during the previous week, the large spec net short increased to more than 4,200 contracts during the week ended 6/4. And, open interest later in the week increased about 1,100 contracts, suggesting that the large spec net short may have increased further by weeks end.



Today's Calendar (all times Central)

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

Thanks for reading.

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