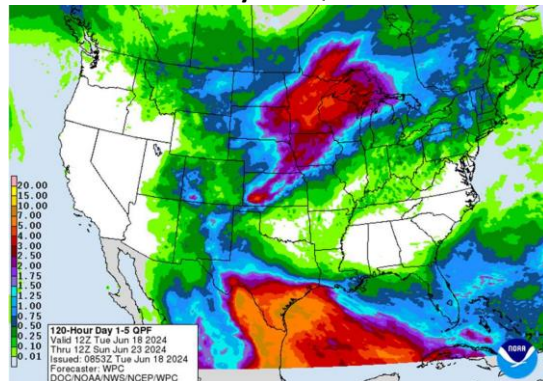


Weather

No major changes to the Day 1-5 QPF. Significant rains were recorded early this morning in the northwest Corn Belt and sizable areas of rain will return to the western Corn Belt by this afternoon. There will be a daily threat of rain in the northwestern Corn Belt through Saturday, which will likely be heavy enough for complaints to be heard about crops that are too wet. River flooding can eventually be an issue as well.

Record high temperatures were scored yesterday in parts of the eastern Corn Belt, such as at Chicago (97), Mansfield (94), Milwaukee (94), and Toledo (99). Record-warm low temperatures were recorded yesterday in the Corn Belt at Peoria (76), Waterloo (77) Des Moines (77) and Fort Wayne (73). Especially Friday/Saturday of this week will hold the potential for still more record highs to fall in parts of the eastern Corn Belt. June 23-27 (which is today's 6–10-day period) will likely have temperatures average closer to normal for that time frame. An uptick in temperatures is forecast for the Corn Belt starting about June 29 and extending through the rest of the 15-day forecast (which today goes through July 2). The magnitude is still uncertain but temperature will likely be above normal.

Day 1-5 QPF



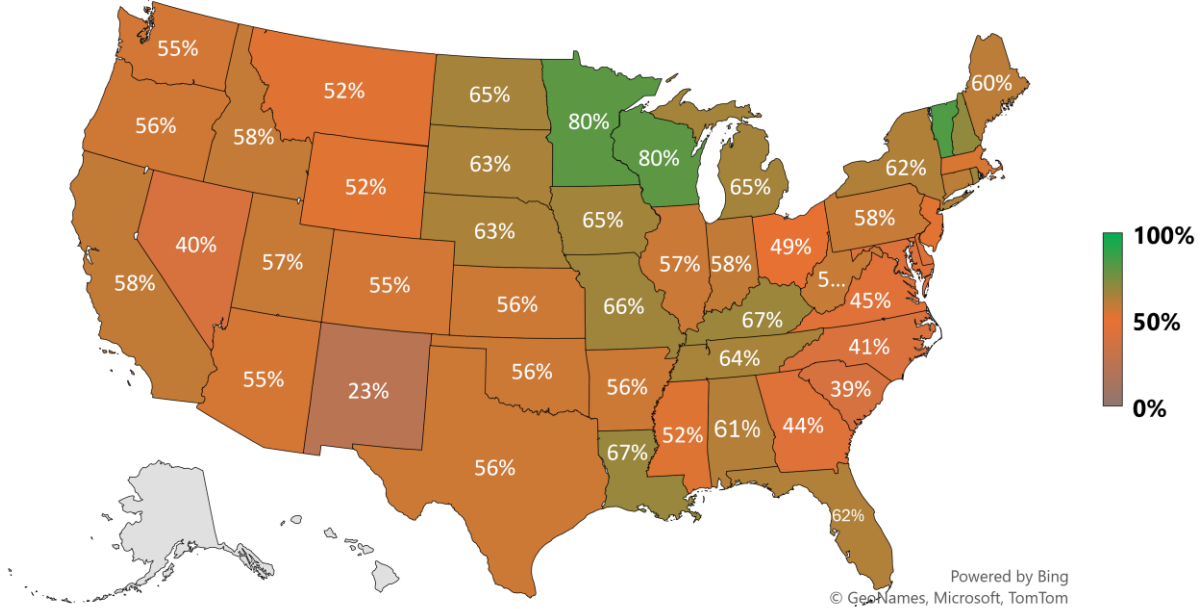
Grains

Today we are going to review some highlights from yesterday's crop progress report. Corn and soybean conditions (good + excellent) were both reduced by two points due to excessive heat. Corn was reduced from 74 to 72 and soybeans were reduced from 72 to 70. Last week's heat had a dramatic effect on topsoil moisture which aided the high starting condition ratings in both soybeans and corn. The table to the right shows that nearly every primary soybean growing state recorded a sharp drop in topsoil moisture. The exception was Minnesota which gained 3 pts WoW due to excessive rain. Minnesota and Wisconsin are the only two states that are above an 80 on the topsoil moisture index. In both states, ~40% of the area is categorized as having "surplus" topsoil moisture. I mention this because the forecast calls for heavy rains for both states through much of the week (Day 1-5 QPF) which will likely bring excess rainfall complaints.

Soybean Belt Topsoil Moisture Index Weekly Change			
	Week #24	Week #23	WoW
Arkansas	56.0	72.6	(16.6)
Illinois	56.6	69.3	(12.7)
Indiana	58.3	67.9	(9.6)
Iowa	65.3	70.6	(5.3)
Kansas	56.0	58.3	(2.3)
Kentucky	66.6	78.6	(12.0)
Louisiana	67.3	79.0	(11.7)
Michigan	64.9	70.0	(5.1)
Minnesota	80.3	77.3	3.0
Mississippi	52.3	63.6	(11.3)
Missouri	65.9	71.3	(5.4)
Nebraska	63.3	63.6	(0.3)
North Carolina	41.3	57.6	(16.3)
North Dakota	64.6	67.6	(3.0)
Ohio	49.0	75.0	(26.0)
South Dakota	63.3	63.6	(0.3)
Tennessee	63.9	72.9	(9.0)
Wisconsin	80.0	80.3	(0.3)

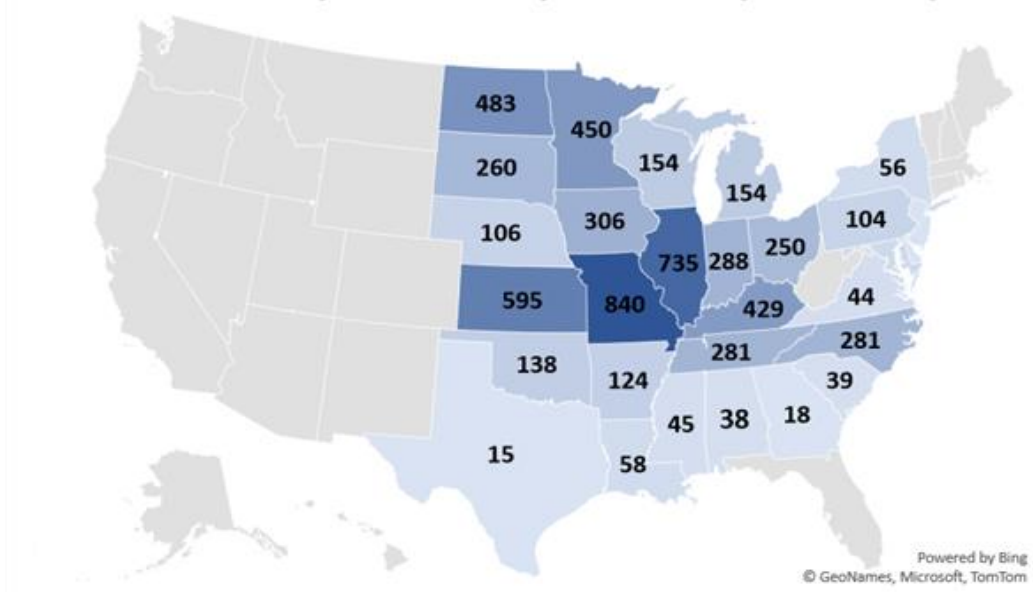
Formula: 0*Very Short+.333*Short+.666*Adequate+1*Surplus

Topsoil Moisture Index: Week #24 (55-80% is ideal)



Soybean planting progress was reported at 93% which leaves ~6.4mm acres of soybeans left to be planted. The greatest concentration of unplanted soybean acres are located in Missouri (840k), Illinois (735k), and Kansas (595k). The combined unplanted acres between Minnesota and Wisconsin are ~600k. Planting progress is technically above the 5-yr average which was reported at 91% through week #24. It's important to remember that 2019 is skewing the 5-yr average as soybeans were only 77% planted as week #24 in 2019. If we remove 2019 from the 5-yr average (2018-2023 (removing 2019), then the revised 5-yr average would be ~95.5% putting 2024 slightly behind planting pace.

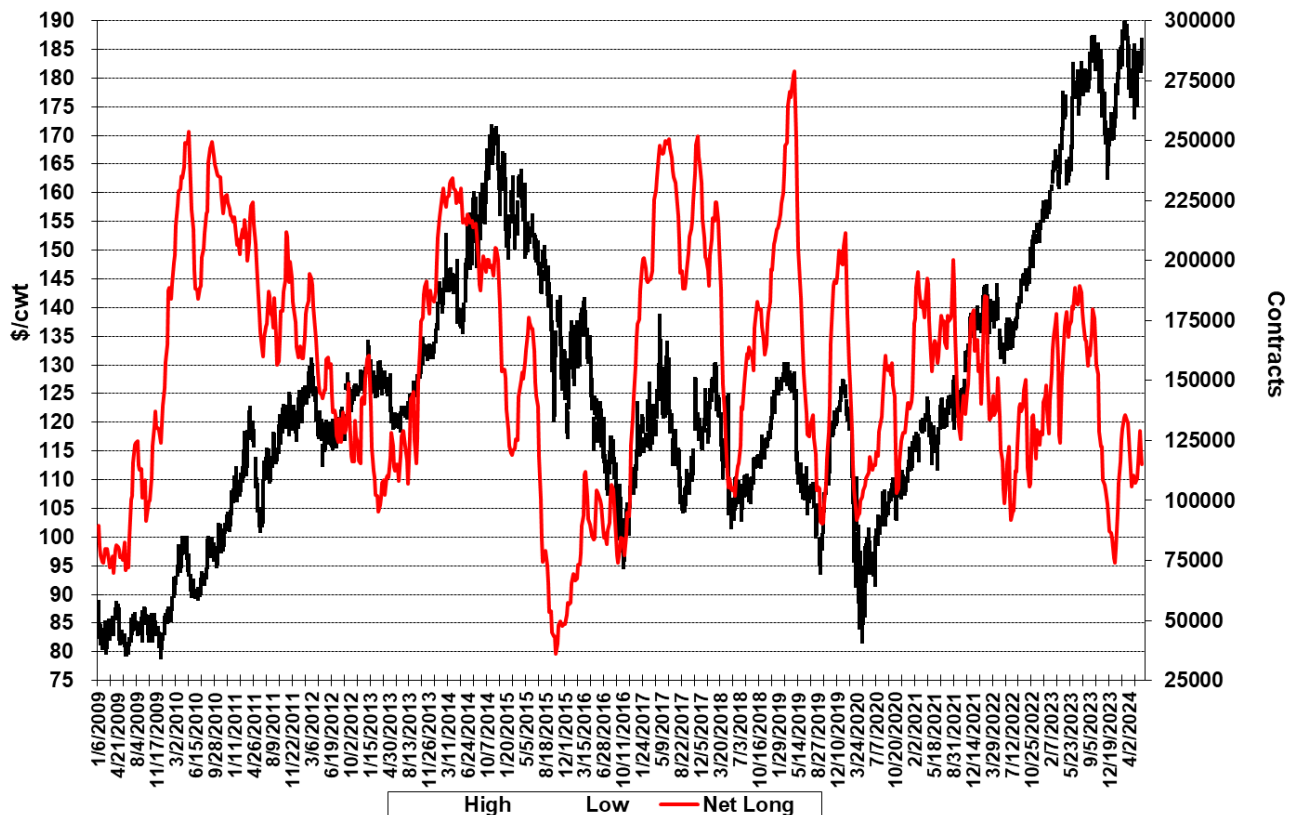
Week #24 Unplanted US Soybean Acres (1,000 Acers)



Livestock

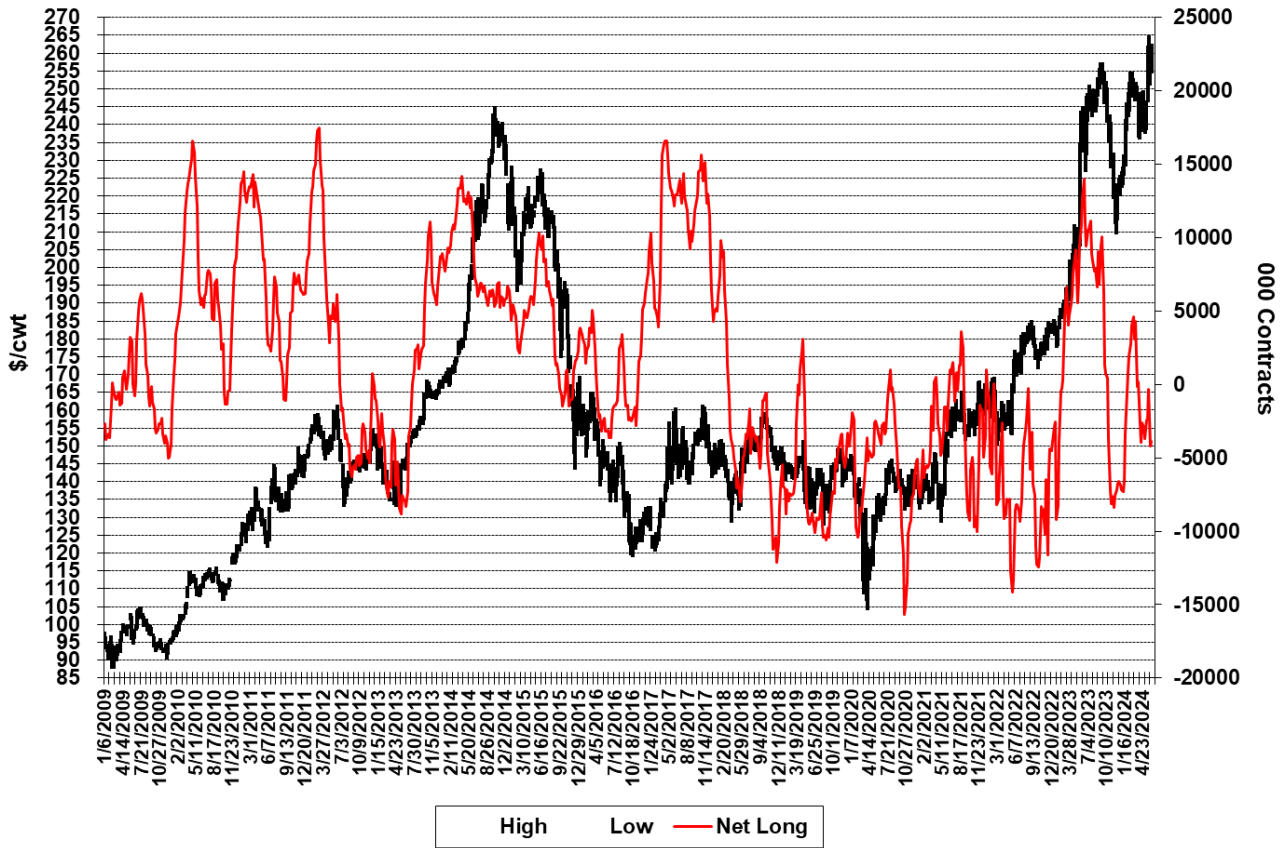
Total open interest (futures and options) in cattle plunged 38,000 contracts lower in the last COT report with every significant reporting category registering a smaller commitment, led by nearly a 23,000 contract decline in spread positions. In addition, the spec net long declined about 5,700 (large spec plus index funds); while the commercial long dropped 5,500. And, to round out the exodus, the commercial short declined 9,500. Further modest declines in open interest (futures) were noted through mid-week, but posted a huge rebound on Friday, increasing nearly 8,500 contracts; certainly a significant change, but relatively modest in comparison to the price change that was spread across the Aug, Oct, and Dec contracts, perhaps suggesting more spread activity rather than a large, new net long spec commitment.

**Nearby Weekly Live Cattle Futures
 with Index + Net Large Spec Position**



After covering a prominent net short at the end of May, the large spec has re-established a net short commitment of around 4,000 contracts during the first half of June. Rising feeder index values and higher futures could spur a short-covering rally and potentially a new long commitment.

**Nearby Weekly Feeder Cattle Futures Range
 with Net Large Spec Position**



Today's Calendar (all times Central)

- Retail Sales – 7:30 am
- Industrial Production – 8:15am
- Business / Retail Inventories – 9:00am

Thanks for reading.

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