

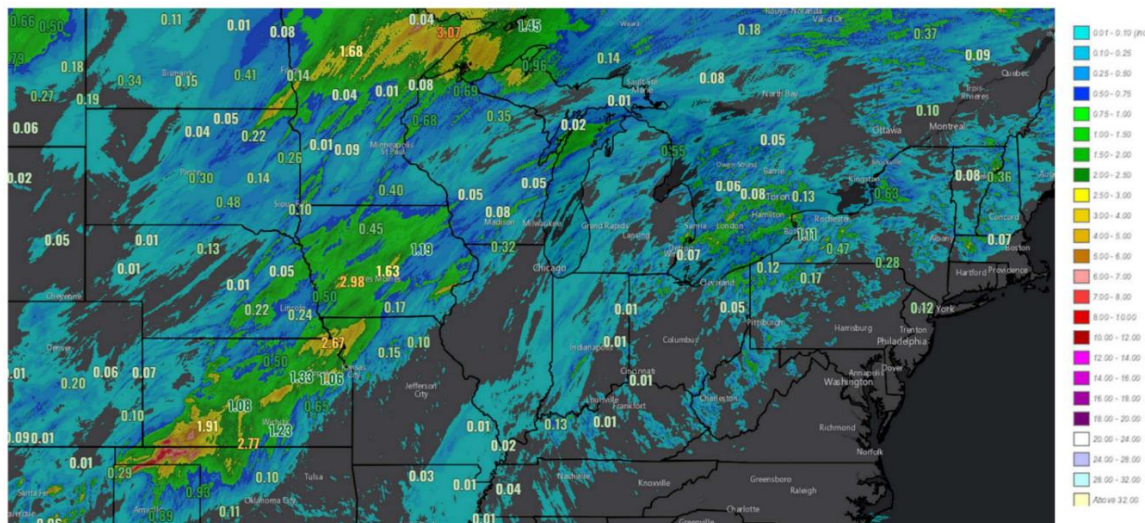
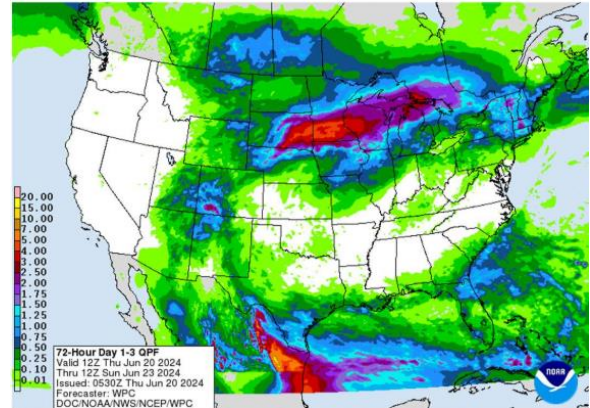
Weather

Rains falling early this morning in the far northwestern Corn Belt are just the start of big amounts in that area through a good part of Saturday; localized amounts can be even heavier than shown to the right, and as a result we will likely see flooding issues become present in southeastern South Dakota into Minnesota. While all that is going on, the pattern will remain quite dry in this period (which takes us through Saturday night) in the southeastern Corn Belt, Mid-South, and Southeast. The southern Plains will also be able to dry out in this period.

Record-warm overnight lows were scored yesterday in the Corn Belt at Fort Wayne (75) and South Bend (76). That was the third day in a row with a record-warm low for Fort Wayne. At no point over the next 15 days does the weather pattern ever look remotely close to “cool” in the Corn Belt, with the vast majority of days featuring temperatures that run fairly easily above-normal. Readings are forecast to be warm enough for a few record highs and a few record-warm overnight lows to be set in the near term.

Flood watches are posted for tonight for southeastern South Dakota, far southwestern Minnesota, and extreme northwestern Iowa. Chances are high that (a) those watches will be extended into tomorrow night; and (b) flood watches will at some point be extended eastward to cover a bigger part of Minnesota.

Day 1-3 QPF

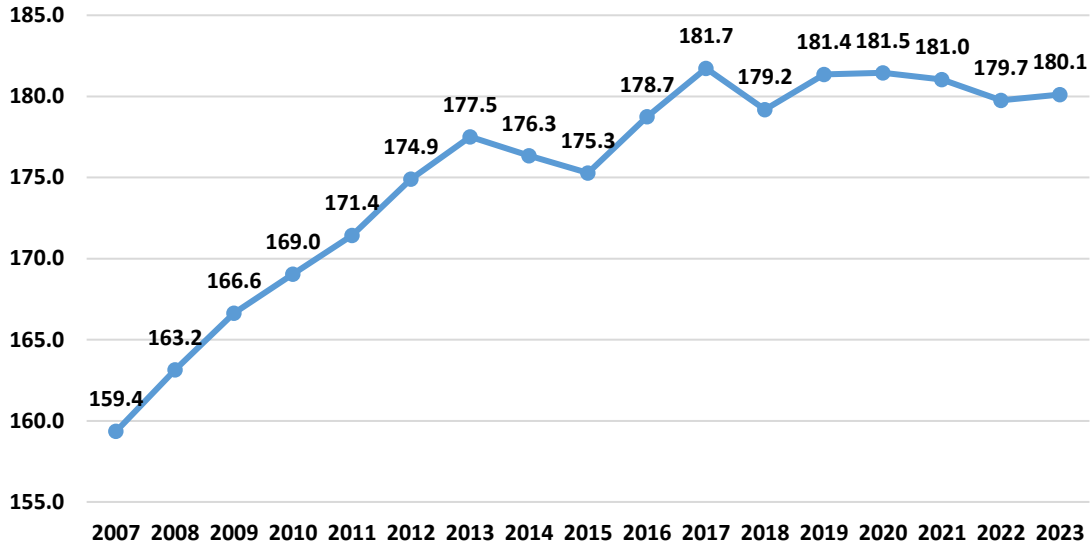


48-hour radar-estimated rainfall/rainfall totals through around 4 AM CDT today

Grains

The June acreage report will be released next week on Friday, June 28th. March intentions have corn acres at 90.0mm and soybean acres at 86.5mm. Since 2017, combined corn and soybean acres (including corn and soybean prevent plant “PP” acres) have averaged ~180.7mm and have been within a tight range between 179.2 and 181.7.

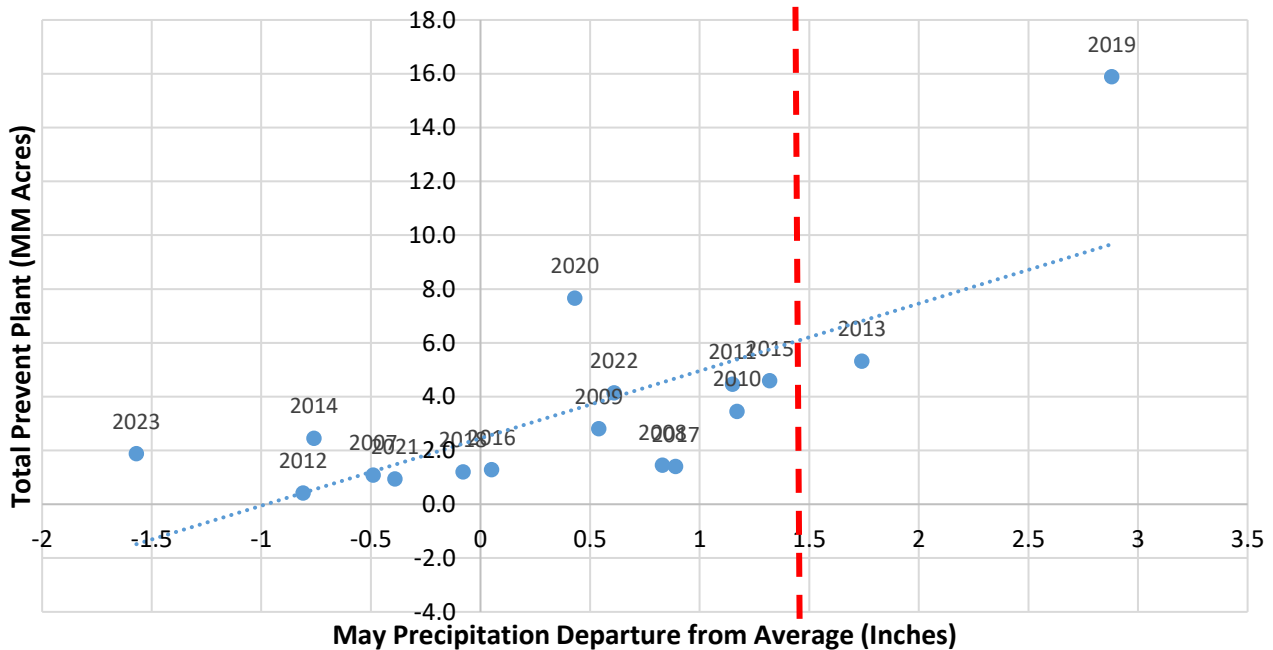
Combined Corn and Soybean Acres Plus Corn and Soybean Prevent Plant Acres (MM Acres)



The below scatter attempts to forecast total corn and soybean PP acres based on May precipitation departure from average within primary corn and soybean growing areas. The R² shows a reasonably good correlation at ~.54.

Primary Corn & Soybean Belt May Precipitation Departure from Average (1901-2023) vs Total Corn & Soybean Prevent Plant Acres

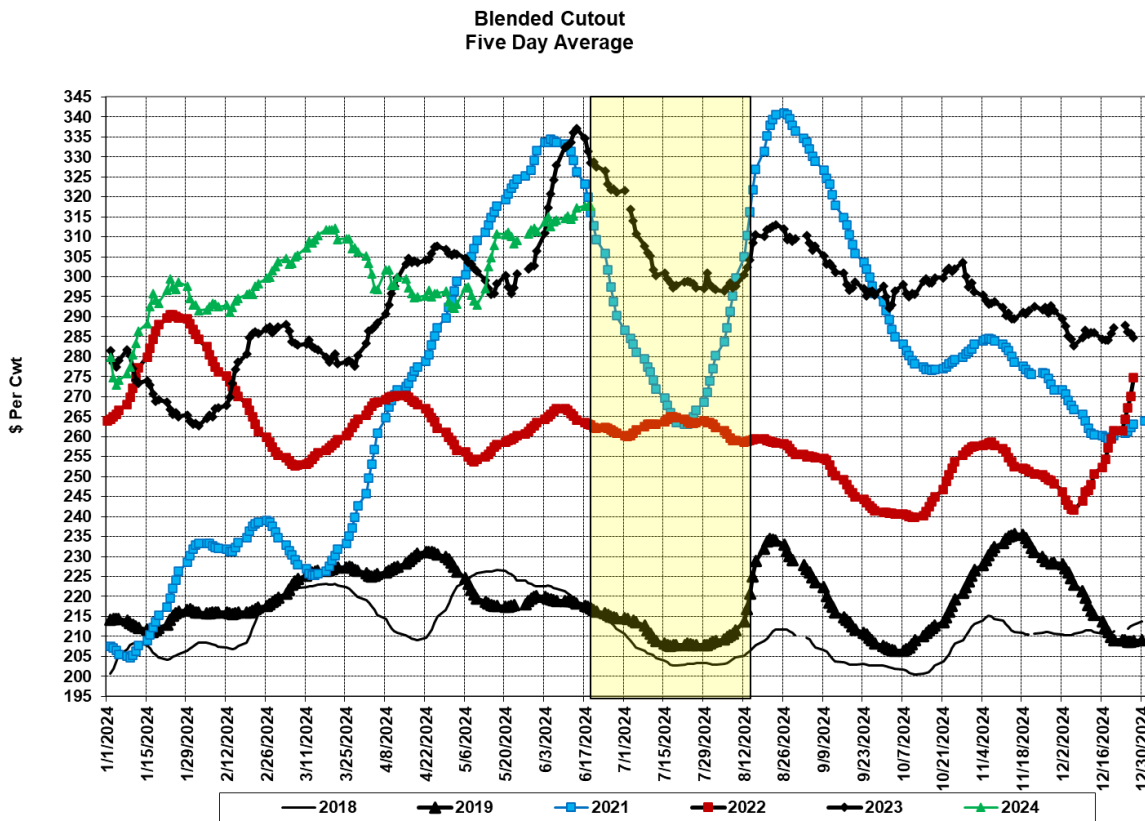
$y = 2.5053x + 2.4498$
 $R^2 = 0.5344$



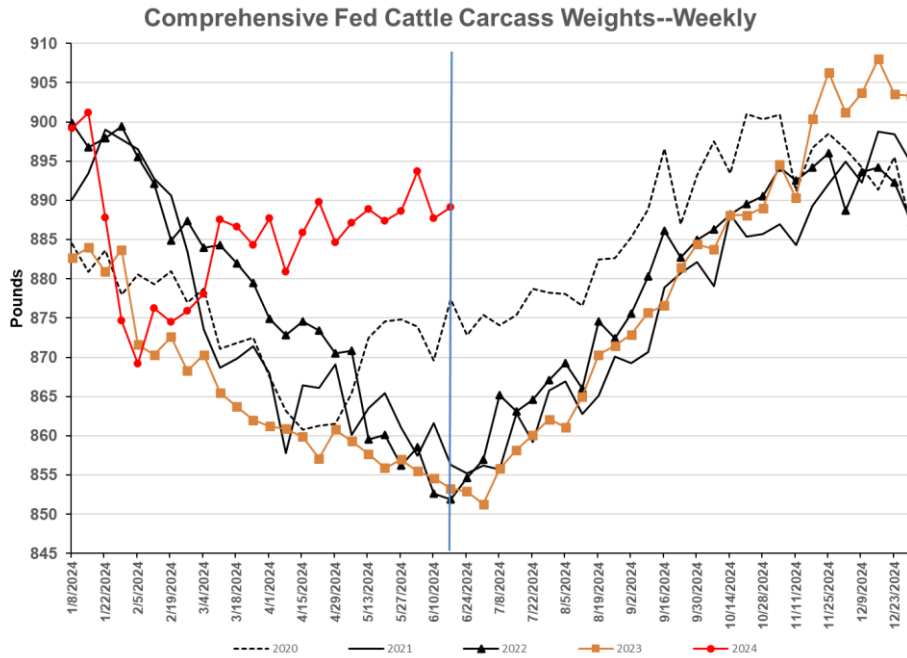
2024 May precipitation was 1.45 inches above average which likely correlates to 3.5mm to 5.0mm prevent plant corn and soybean acres based on the scatter and specifically analog years of 2010 (1.17" & 3.5MM), 2011 (1.15" & 4.5MM), and 2015 (1.32" & 4.6mm). If we assume 4.0mm corn and soybean PP acres combined with 176.5mm (March Intentions) it would equate to 181.5 which suggests that it will be challenging to add combined corn and soybean acres. Thoughts appreciated as always.

Livestock

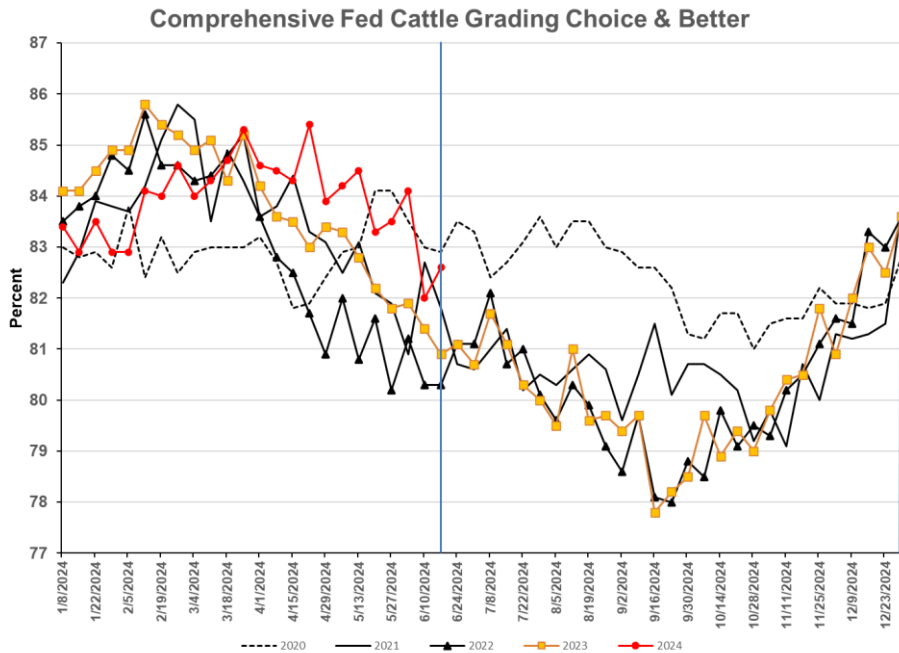
The blended cutout (average of Choice and Select) has ranged around \$317 this week and likely is establishing a seasonal peak—declines of varying magnitudes are evident in recent years from mid-June into early August. And, this year's seasonal high is well short of last year's peak above \$335, which may transition into a more modest seasonal decline, but a retest of the \$295 area is expected and will, in turn, weigh on fed cattle price prospects.



The comprehensive weights on fed cattle last week at 889 pounds, were up a pound from the previous week and 36 pounds heavier than last year. Weights typically register a seasonal low by the end of June and then trend higher toward a fall peak. While a less than seasonal rise is likely, record heavy carcass weights will remain the norm rather than the exception—adding to fed beef tonnage and potentially impairing the leverage of the cattle feeder.



The percentage of cattle grading Choice and better in June has declined seasonally from earlier in the spring, but remains above last year. The trend toward more days on feed and heavier carcass weights will continue to support improved grading percentages. The end result, however, is additional tonnage in the higher quality grades, upper 2/3s of Choice, which likely encompasses much of the retail and food service merchandising efforts. Again, the larger tonnages pose an additional risk to beef and cattle prices.



Today's Calendar (all times Central)

- Jobless Claims – 7:30am
- Philadelphia Fed Manufacturing Index – 7:30am
- Housing Starts – 7:30am
- Crude Oil Inventories – 10:00am

Thanks for reading.

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