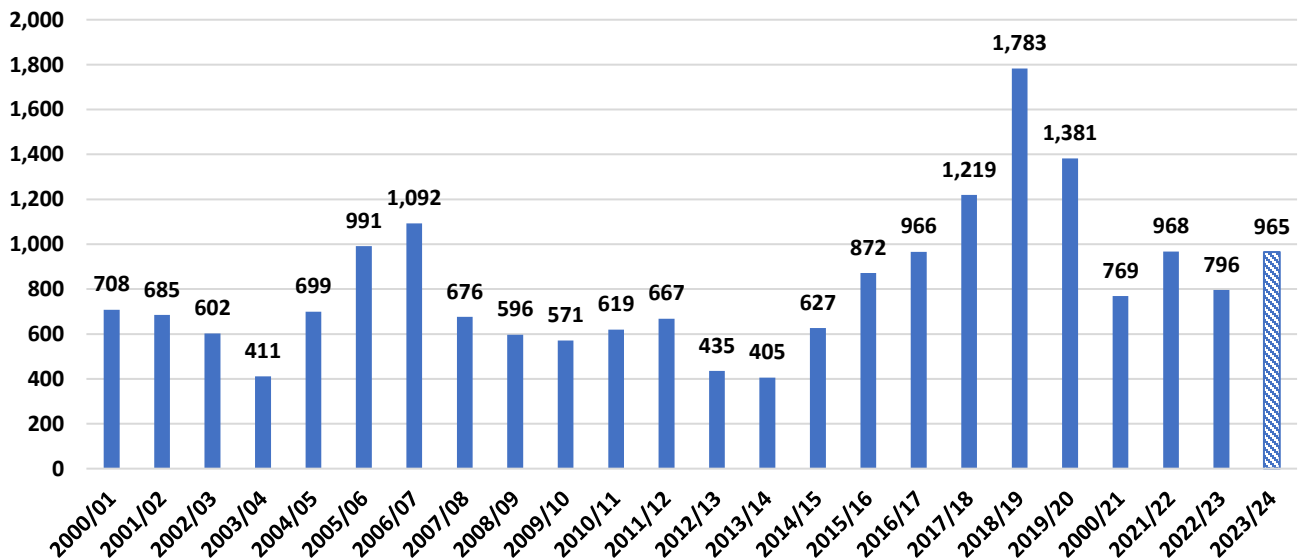


be a near term high at or around 10mm bu. Exports should be ~235mm bu based on census data through April and inspection data through May. I have crush at ~572mm bu based on two months of census data and May NOPA figures. Seed use is rather static YoY while residual is the most challenging to estimate. There tends to be an increased residual factor in higher export years as it can be more challenging to account all exported grain.

US Soybean Quarterly March - May S&D (MM Bushels)					
	19/20	20/21	21/22	22/23	23/24
Beginning Stocks	2,255	1,562	1,932	1,687	1,845
Imports	4	4	4	6	10
Total Supply	2,259	1,566	1,936	1,693	1,855
Crush	555	532	555	574	572
Exports	243	182	331	245	234
Seed, feed, and residual	79	83	82	77	83
Total Use	877	797	968	896	890
Ending Stocks	1,381	769	968	796	965

My estimated June 1 ending stocks are 965mm bu which is nearly the same as the average survey guess. Thoughts appreciated as always

US Soybean June 1 Stocks

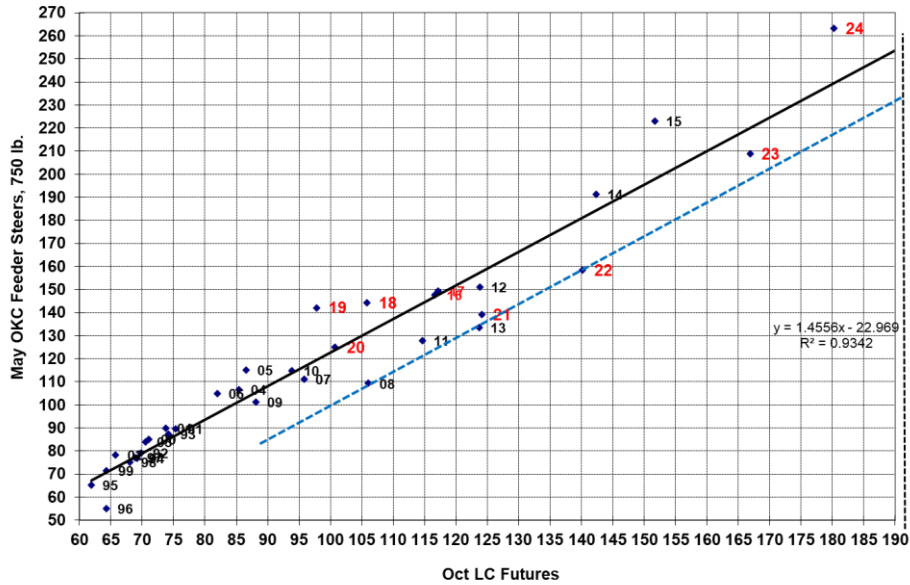


Livestock

Although 700–800-pound feeder steers at OKC traded at a marked premium to the feeder index during May, there is typically a strong positive correlation. The combination of historically high October LC futures during May along with moderating feed costs (corn prices) boosted OKC feeders to an average near \$263—a stronger

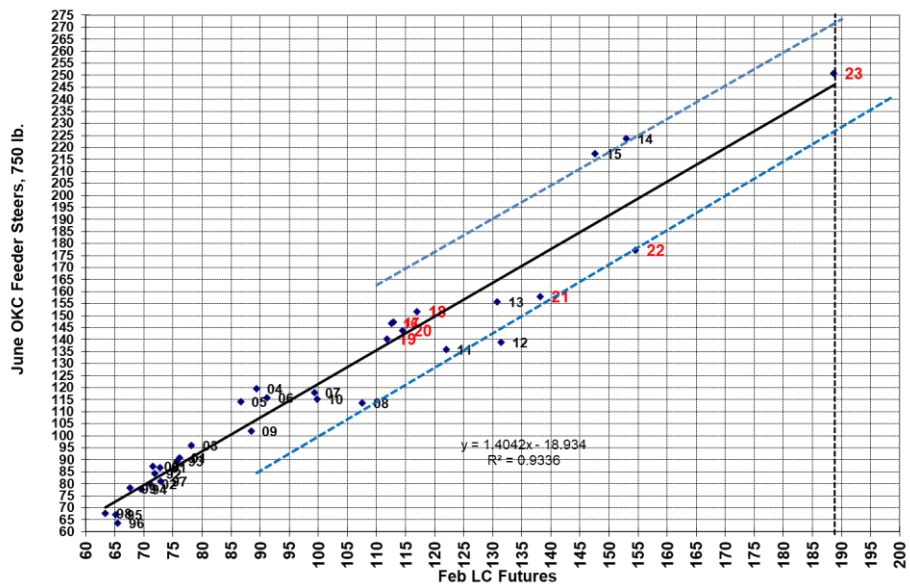
than historical relationship, which would have typically been closer to \$240-\$250—generally consistent with the feeder index during May.

May OKC Feeder Steers & Oct LC Futures



In recent weeks, feed costs have moderated further and February LC futures are in the upper \$180s, not far different than in August of last year. However, based on the strong May relationship noted above, “fair” value for OKC feeders and the feeder index for August may range in the \$255-\$265 area, suggesting the index currently in the \$257-\$258 should be well supported.

August OKC Feeder Steers & February LC Futures



A similar relationship may be applied to October feeders and the index; April LC futures above \$190 coupled with moderating feed costs and tighter feeder cattle supplies, an argument can be made for the index in the \$255-\$260 range or better—at least well supported at current levels in the upper \$250s.

Today's Calendar (all times Central)

- Building Permits – 7:30am
- New Home Sales – 9:00am
- EIA Energy Stocks – 9:30am

Thanks for reading.

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