

Weather

Strong and severe thunderstorms are forecasted over the next three days, and some of the activity will continue in parts of the Corn Belt on Thursday and Friday. With the likelihood of such activity and numerous threats for that activity, sizable parts of the Corn Belt will likely see some very nice (or even heavy) rainfall totals for this current work-week period. That said, it's also very likely that this work-week period will not come close to featuring an “all-encompassing soaker” for the region; there will be sizable areas that get minimal rains and probably some areas that get nothing.

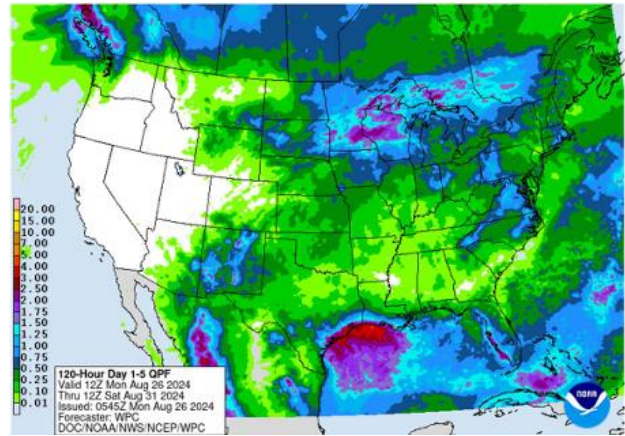
Corn Belt rainfall chances in early September are not very promising. The 6–10-day period (August 31 to September 4) could be especially dry, with big parts of the region seeing no rain for that time frame.

Heat advisories and excessive heat warnings cover the bulk of the Corn Belt today, making today one of the region's hottest (if not the hottest) days of the summer. Much of the central and western Corn Belt will be above 95 degrees today (100s in parts of Nebraska and Kansas), and much of the southeastern Corn Belt will be above 95 degrees tomorrow. It won't be as hot on Wednesday/Thursday, and weather models continue to suggest that summer-like heat for the Corn Belt may be over for the summer of 2024 for Friday and beyond. Note that the pattern in the longer term is also still entirely against an early freeze threat for the Corn Belt, northern Plains, and even Canadian prairie.

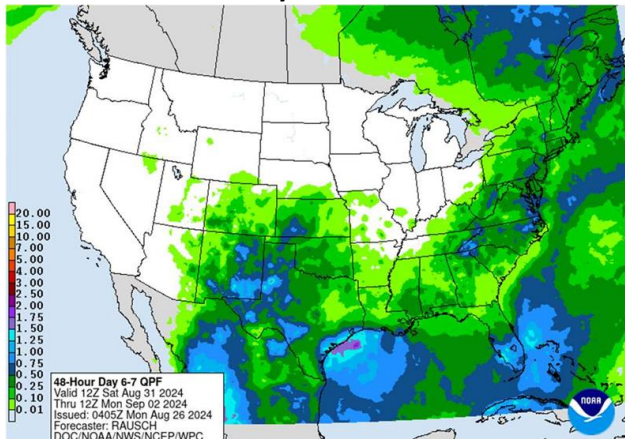
Grains

We'll look at official ProFarmer “PF” data for corn today. ProFarmer published their national corn yield estimate at 181.1 BPA on Friday, below USDA's August estimate of 183.1 BPA. On average, over the past 20+ years, ProFarmer is ~2.1 BPA below USDA September, which means that ProFarmer's tour estimate likely corroborates USDA's August estimate of 183.1 BPA.

Day 1-5 QPF



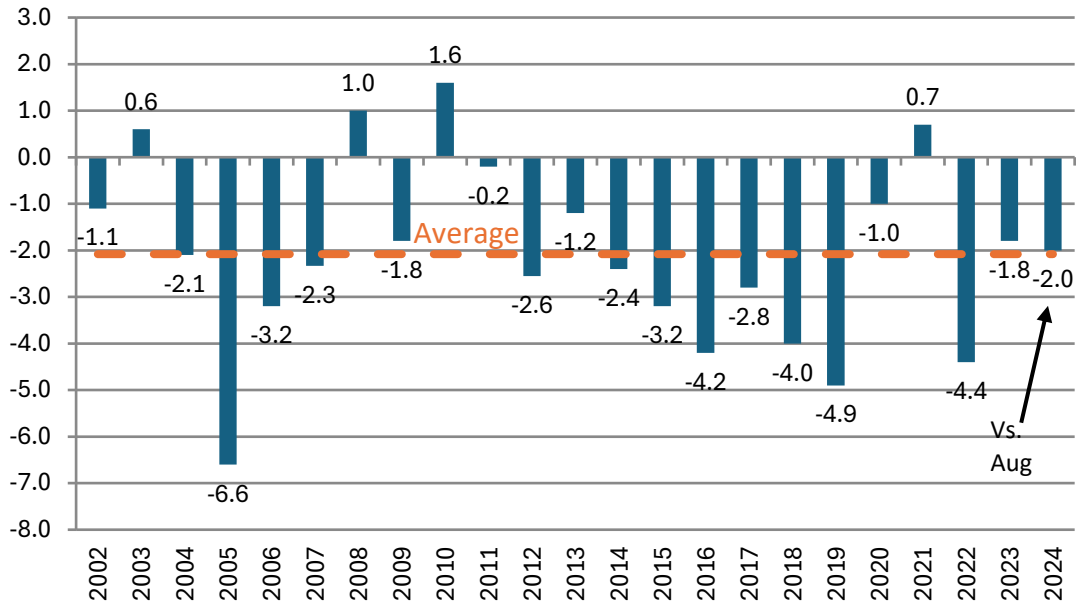
Day 6-7 QPF



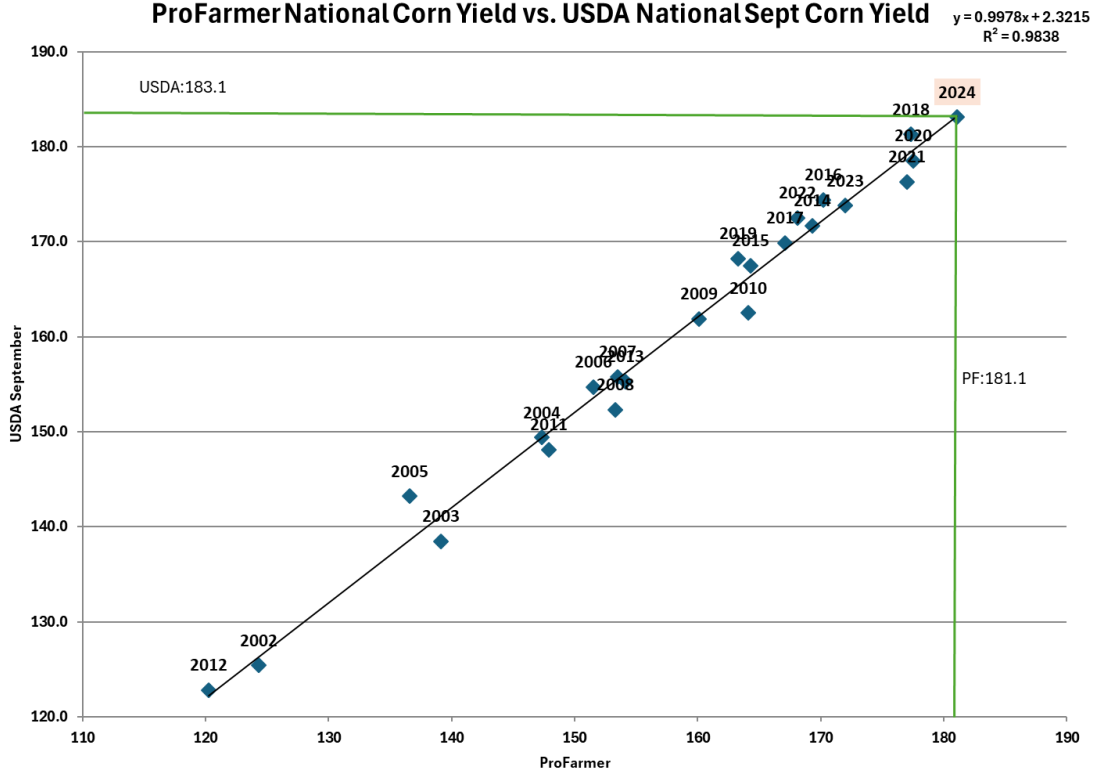
Severe Weather Outlook for Today/Tonight



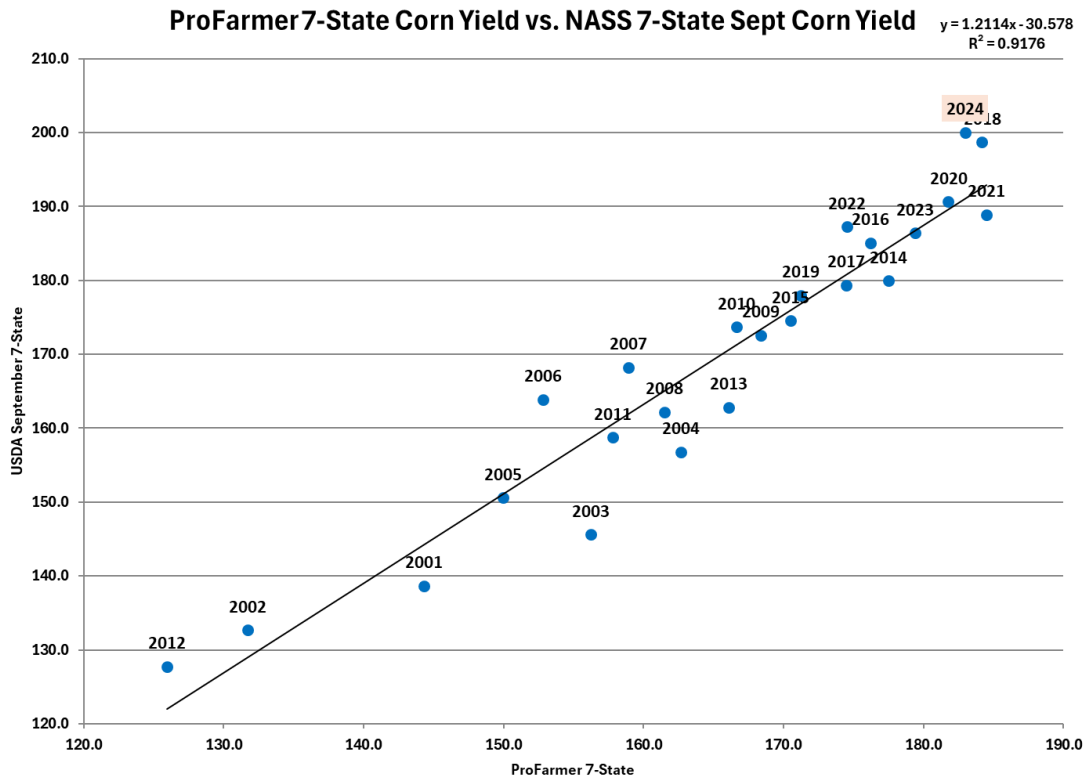
ProFarmer National Corn Yield Estimate vs. NASS Sept Corn Yield Estimate (BPA)



ProFarmer National Corn Yield vs. USDA National Sept Corn Yield

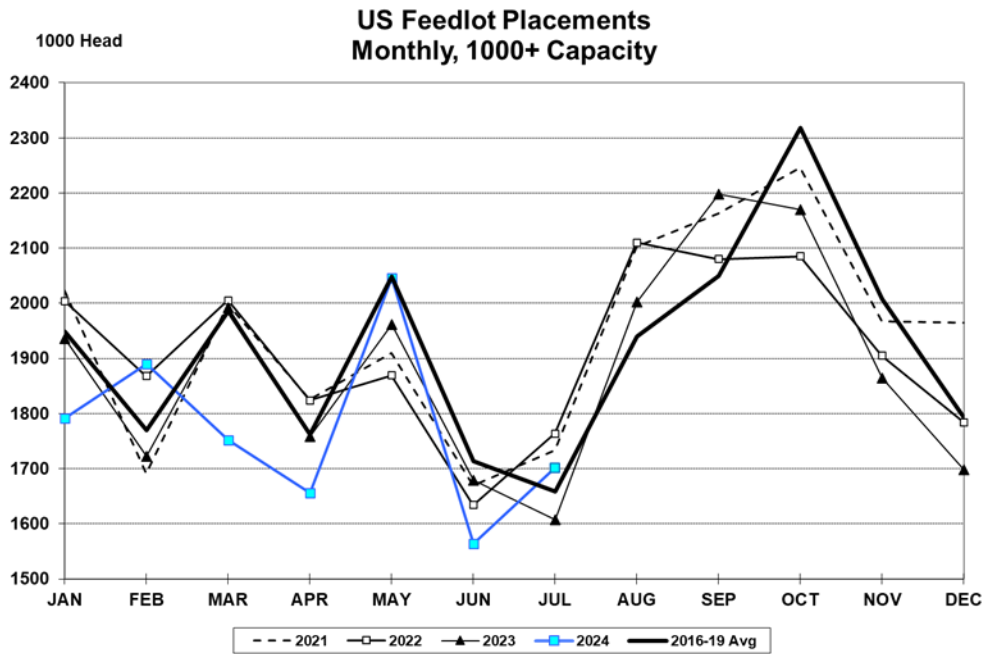


As you know, ProFarmer only tours seven states (IL, IA, SD, NE, OH, MN, IN), so they have to make an adjustment to convert the data to a national yield, which could manipulate the tour results. A different way to review the PF data is to aggregate the tour data from the seven surveyed states and compare that to USDA's September 7-state estimates. This data tells a different story than what we previously discussed. It shows there could be some downside risk to USDA's 7-state August corn yield estimates, as the 2024 PF 7-state tour results were lower than in 2018 and 2021. Taking the trendline as gospel would imply a 7-state yield of ~191 BPA vs the USDA estimate of 200 BPA.

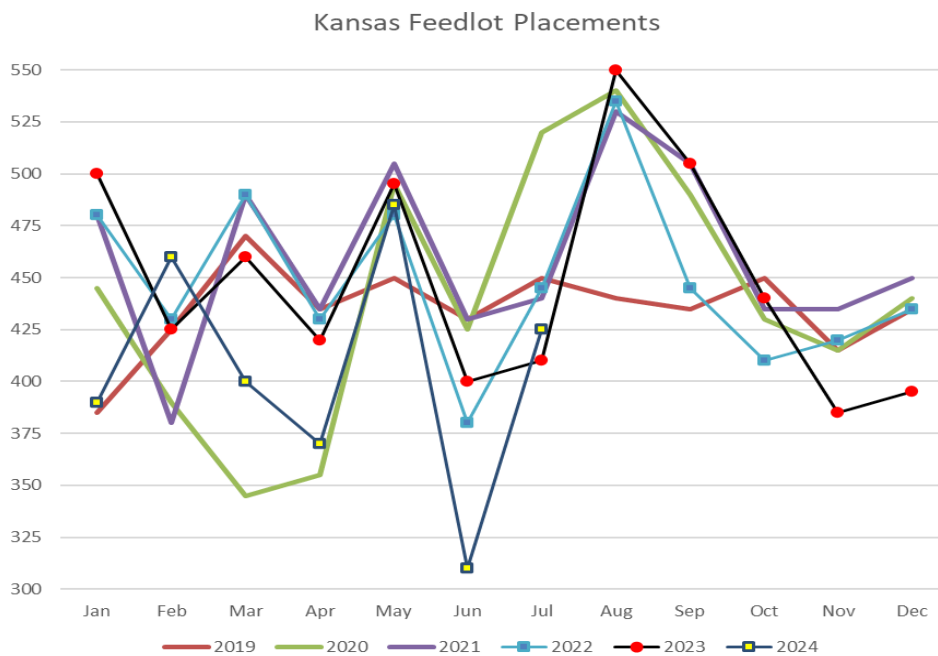


Livestock

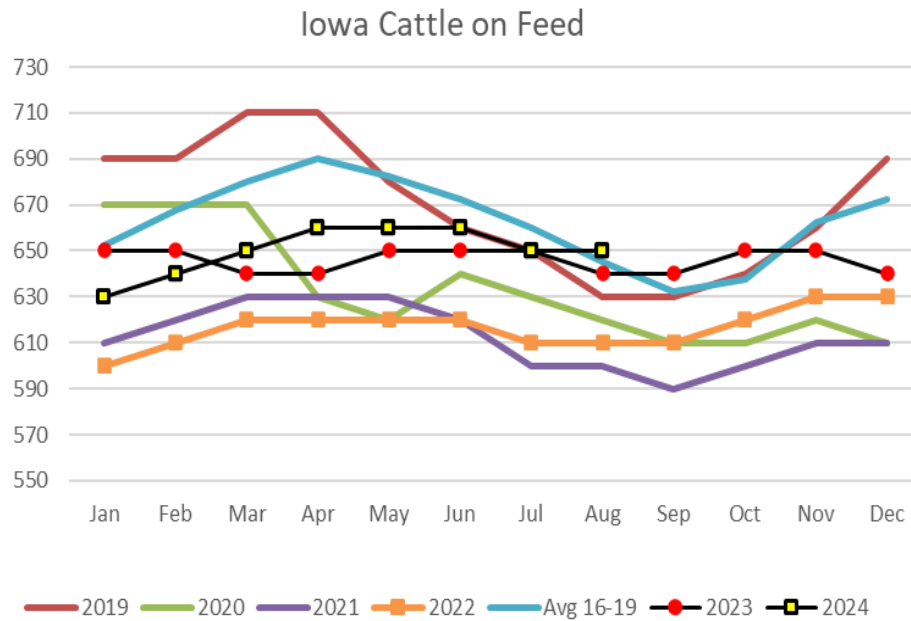
Following smaller than expected placements and marketings during June, July feedlot placements were larger than trade expectations, while marketings were slightly smaller. However, the August feedlot count held close to trade expectations and about even with last year. July placements were reported at 105.8% of last year compared to the average trade guess of 104.1%, and marketings at 107.7% were fractionally lower than the average trade guess of 108.3%. The larger July placements bucked the seasonal trend, and similar volume increases ranging from four to eight percent were reported across all major weight categories.



Most major cattle-feeding states reported larger placements during July, but Kansas posted more than a 100,000-head increase from a month earlier. July placements climbed about 4% above a year earlier, following more than a 20% decline during June. Still, averaging June and July together leaves the total well below recent years.



Following several years of eroding feedlot inventories, the Iowa feedlot count has been inching steadily higher from the lows in 2021 and 2022. The August 1 feedlot count, while still far below more prominent states such as TX, KS, NE, and CO, reached near 650,000 head, the largest for that date since 2018's record and the second largest ever for August.



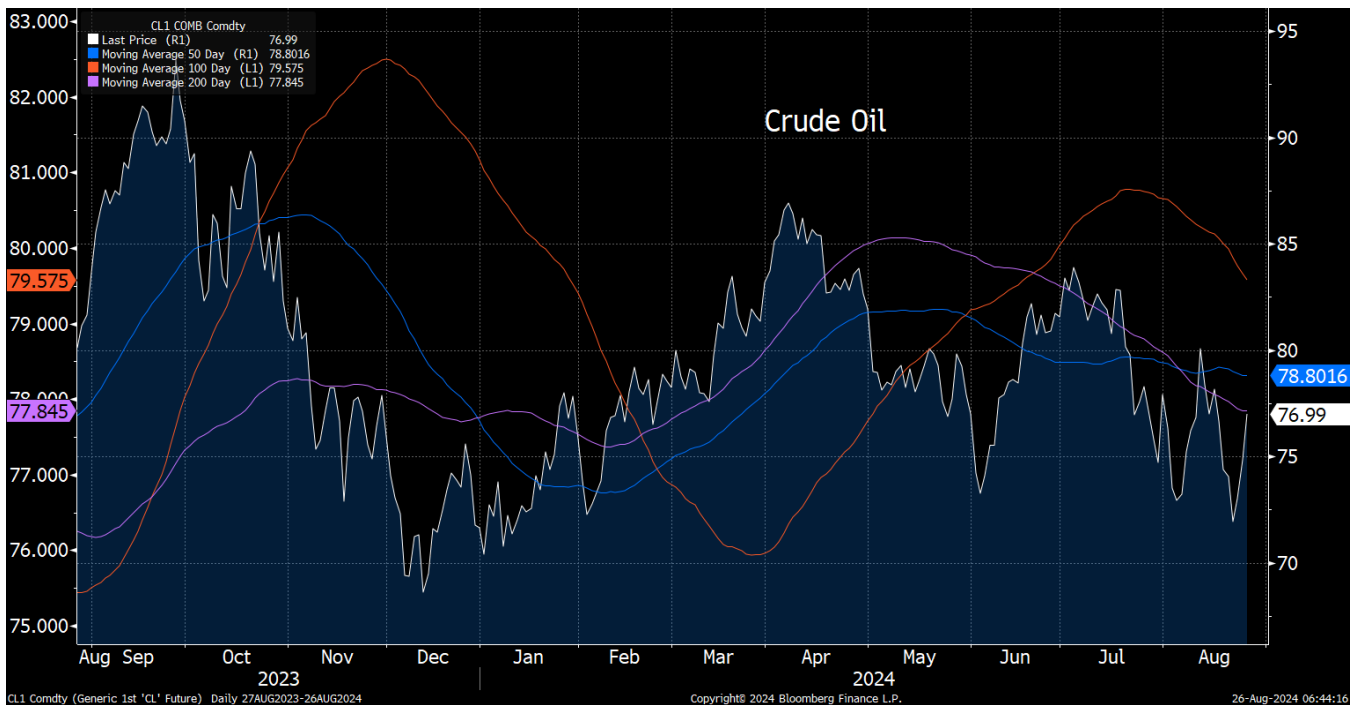
Financials

Durable Goods Orders will be released today at 7:30 am. The survey results range from -9.0% to 8.6%, with the median estimate at 4.9%. Summary of survey results are below.



Energy

Given the activity in the Middle East this weekend, crude oil was the big overnight mover. Crude oil is up nearly 3% and approaching a 200-day moving average at the time of writing.



Today's Calendar (all times Central)

- Durable Goods Orders – 7:30 am
- Export Inspections – 10:00 am
- Crop Progress – 3:00 pm

Thanks for reading.

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