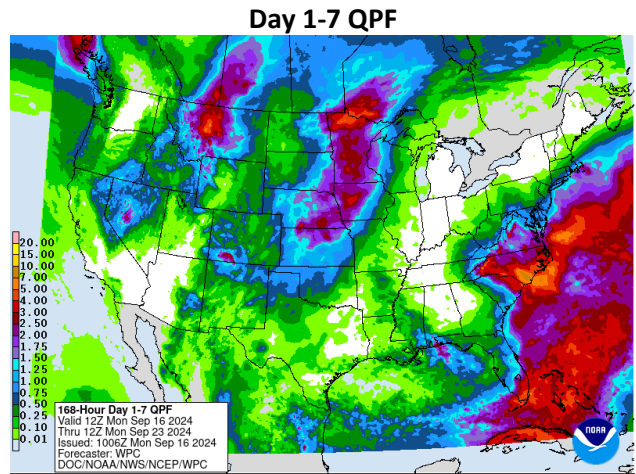


Weather

There will be lingering rains in parts of the Mid-South this morning, but otherwise, that area and the eastern Corn Belt look decidedly dry through the next 9-10 days; largely, no rain is expected throughout that area.

Widely scattered areas of rain and thunderstorms are found in the Plains this morning from Kansas northward into North Dakota, and there will be multiple additional threats of rain in that area through the weekend. Any region in the area (including most of the HRW wheat belt) has a good chance for above-normal rainfall for Week One, with plenty of 1+” amounts in that time frame.

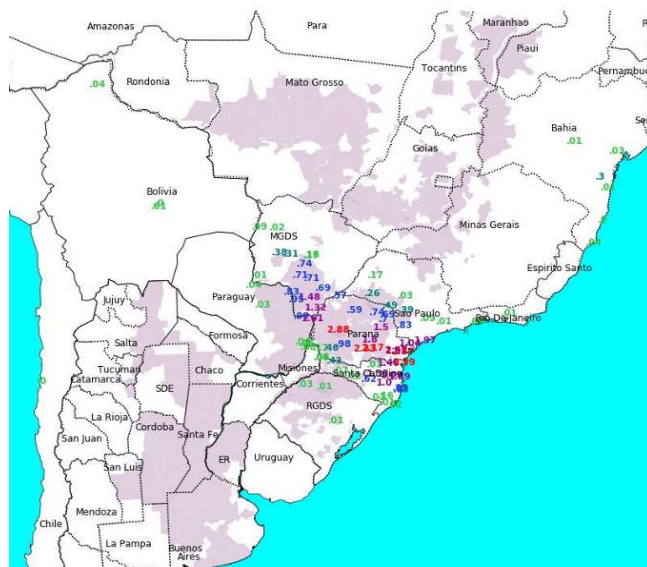


Above-normal rainfall is expected in the Dakotas, Minnesota, central/western Iowa, and Nebraska. Rainfall for those areas will be quite widely scattered through Friday (with only localized areas seeing decent rainfall totals), with the bulk of the rain set to fall Friday night through a week from today.

There will still be no appreciable below-normal temperatures over the next 15 days in North America east of the Rockies.

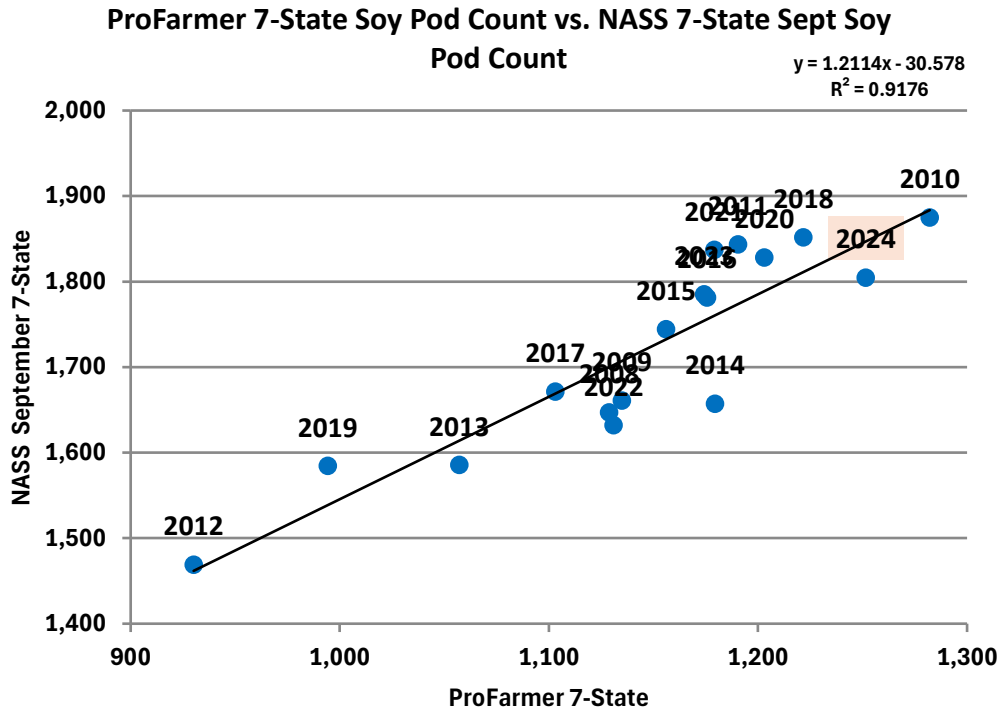
Widely scattered thunderstorms that occurred late Saturday in western Mato Grosso show that it “can” still rain in northern soybean-growing areas of Brazil, but we are still nowhere close to the time when enough rain falls in the region to get soybean planting started on a concerted basis. It will be until September 25 and beyond before any notable rainfall arrives again, and even then, it will be confined to Mato Grosso. Especially central/northern Goiás, northwestern Minas Gerais, and the MaToPiBa region should remain dry for the next 15 days. There was meaningful rainfall in Parana over the past 24 hours (right).

18-hour rainfall through 1 AM CDT (soybean areas shaded)

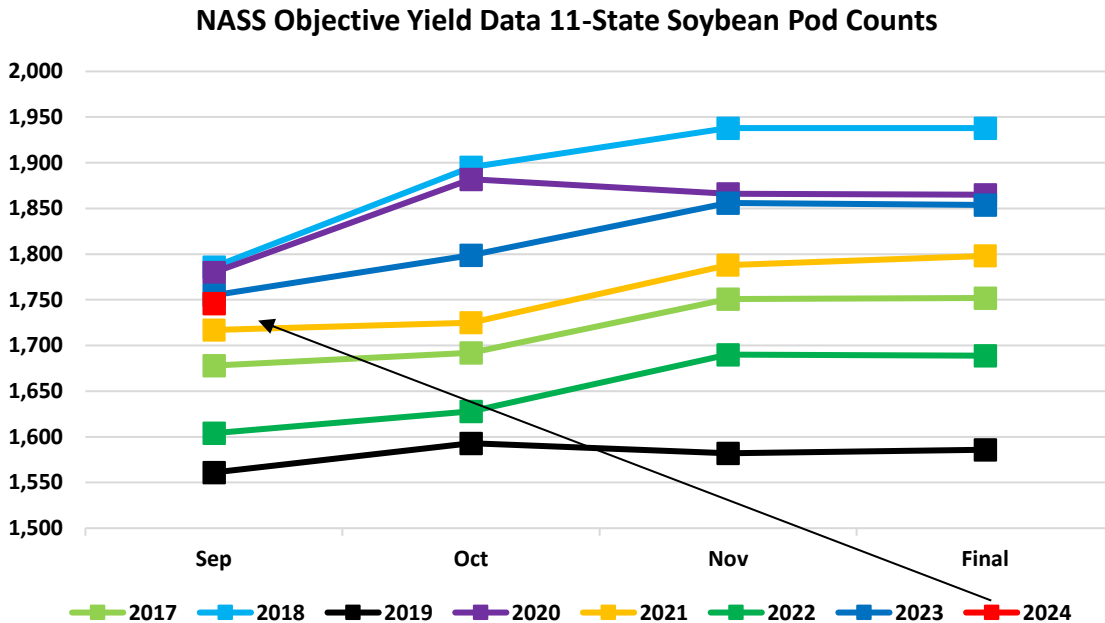


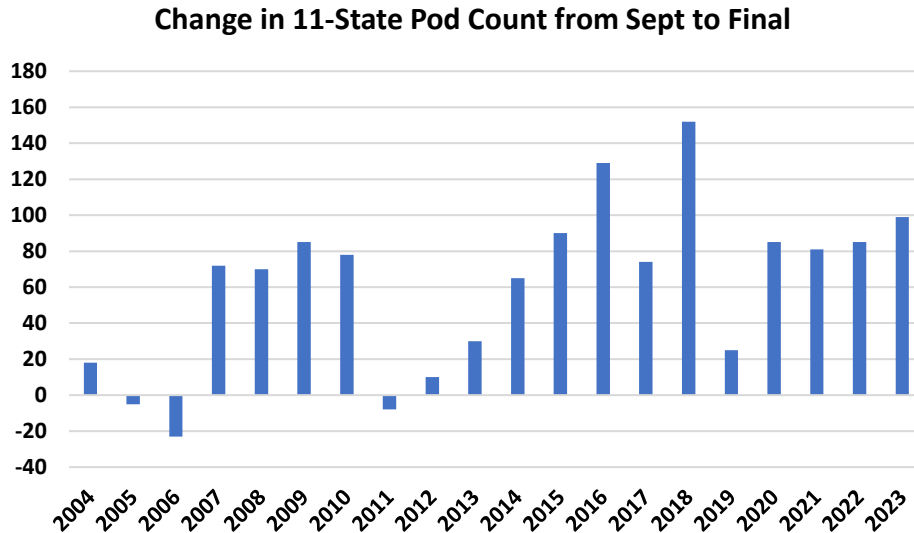
Grains

We will review some of the objective soybean yield data from the September NASS crop report. The 11-state soybean pod count averaged 1,746 pods per 18 square feet. The pod count was at the upper end of recent history, not record-setting, and slightly disappointing relative to the ProFarmer tour results. The scatter on the following page shows the 7-state ProFarmer pod count against the NASS September 7-state pod count. You’ll notice that the 2024 data point is below the trendline.

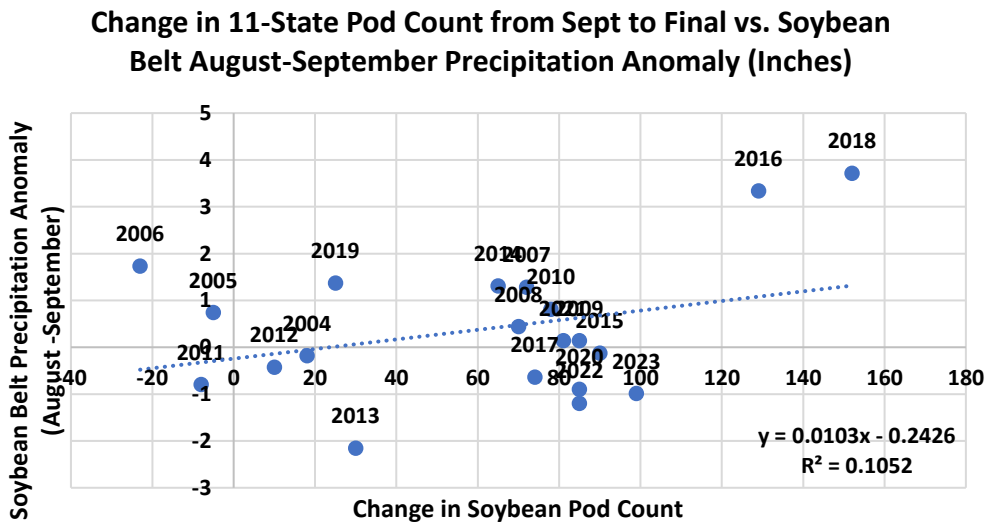


Unlike corn ears, soybean pods tend to increase as you move from September to the final, meaning that pod counts will likely continue to grow.





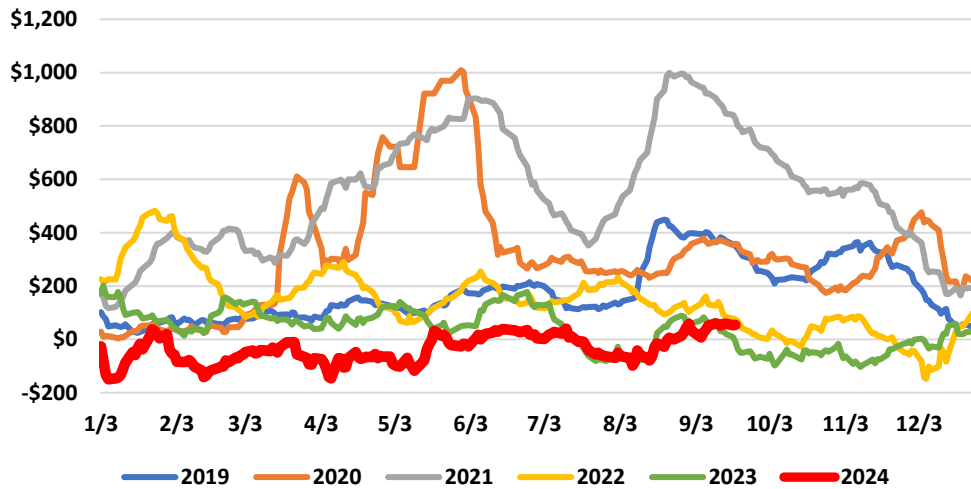
The above graphic shows pod counts have increased nearly every year, moving from September to Final. The poor finishing weather is a concern. However, the scatter plot below shows the change in the 11-state pod count from September to the Final against the Soybean Belt precipitation anomaly (productivity weighted). You'll notice virtually no correlation, which could support those who think soybean yield will remain steady from the September report.



Livestock

We haven't looked at packer margins in a few weeks, so we will review them today. Margins have steadily increased in recent weeks and are now at the year's highest level at ~\$50-\$60 / head. Positive margins from now into the fall create a favorable position for kills and should quiet rumors of plant closings, at least for a few months. Positive packer margins come even with drop credit values at ~\$11.30 per cwt, nearly \$2 lower than last year.

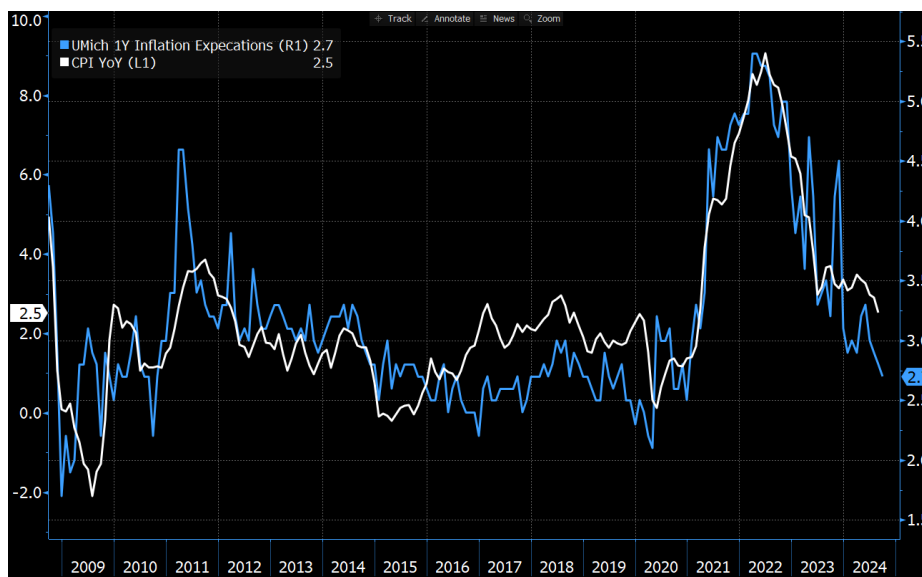
HedgersEdge Beef Packer Margin Estimate (USD / Head)



Financials

There are no significant economic releases today. Retail sales will come out tomorrow, followed by Wednesday's big FOMC rate decision.

I wanted to circle back and review some of the University of Michigan numbers that came out on Friday. Consumer 1-year forward inflation expectations declined to 2.7%, the lowest since December 2020 (before the COVID-19 inflation spike). Inflation expectations seem to follow real-time CPI readings very closely, as shown by the chart below.



Today's Calendar (all times Central)

- Empire State Manufacturing Index – 7:30 am
- Export Inspections – 10:00 am
- NOPA Crush – 11:00 am
- Crop Progress – 3:00 pm

Thanks for reading.

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