

Weather

Widely scattered showers/thundershowers over the past 24 hours in the far western Corn Belt (especially northwestern Iowa and southwestern Minnesota) start a more active pattern for that area through at least September 23. Overall, model agreement on the details of the rainfall forecast over the next week for the Plains and western Corn Belt is very poor, with the European operational model (as well as the AI version of that model) wanting to limit rains in Nebraska, Iowa, the Dakotas and Minnesota while most other models center the heaviest rains in those states. With the starting time for the very best rains still looking to be on Friday night, there is ample time for forecast adjustments to be made.

Model agreement is very good in that the rainfall pattern for about September 26 and beyond is NOT the start of an overall "wet" pattern, as below-normal rainfall should quickly retake hold for the September 26-October 1 period.

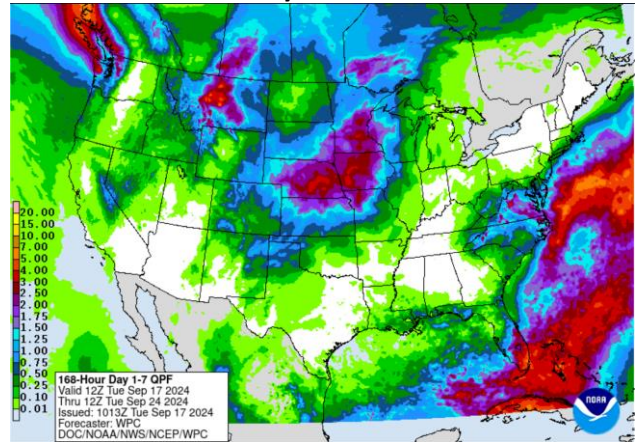
We saw record-high minimum temperatures recorded yesterday in South Dakota at Pierre, Aberdeen, Watertown, and Huron, as readings for those spots stayed in the middle and even upper 60s. The pattern for the next 15 days remains one that is absent of abnormally cold air for basically all of North America.

Model agreement is improving for rainfall to start to fall before this month's end in Brazil's northern soybean-growing areas. September 29 through the end of the 15-day period (October 1) looks to be the likely starting date for rainfall. However, rainfall still seems too light for soybean planting to begin in earnest. Meanwhile, temperatures will continue to average a solid distance above normal throughout the 15-day forecast period, equating to continued areas of 100+ degree highs daily.

Grains

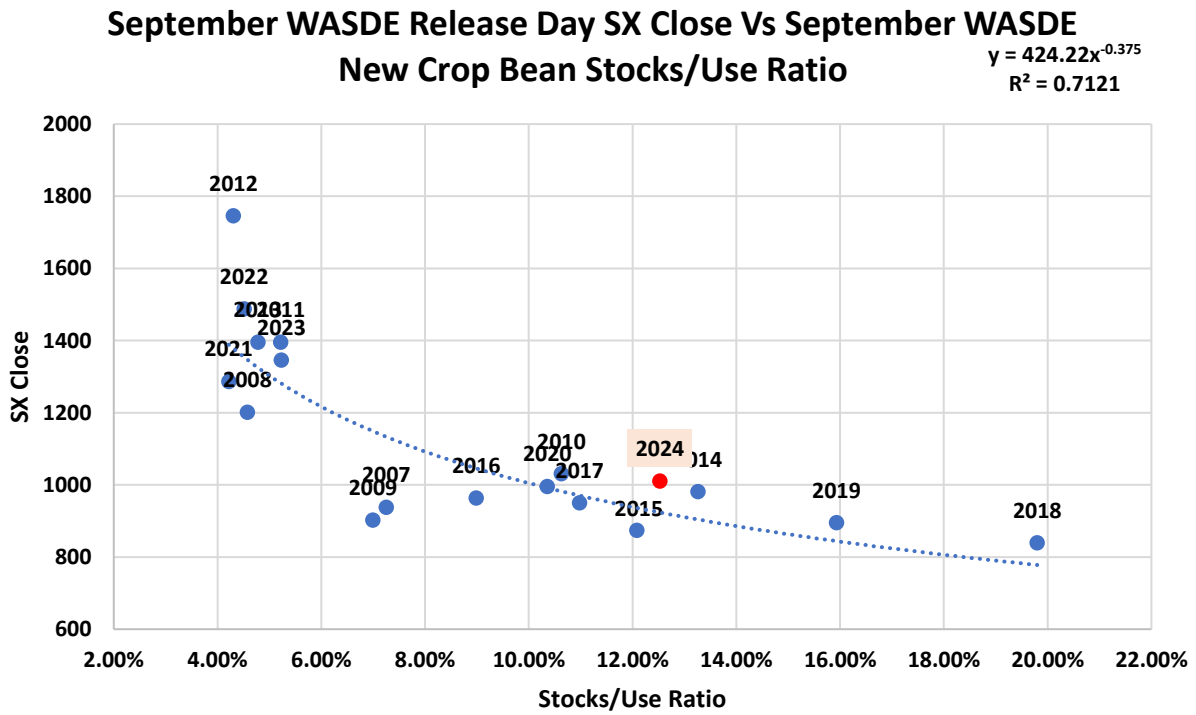
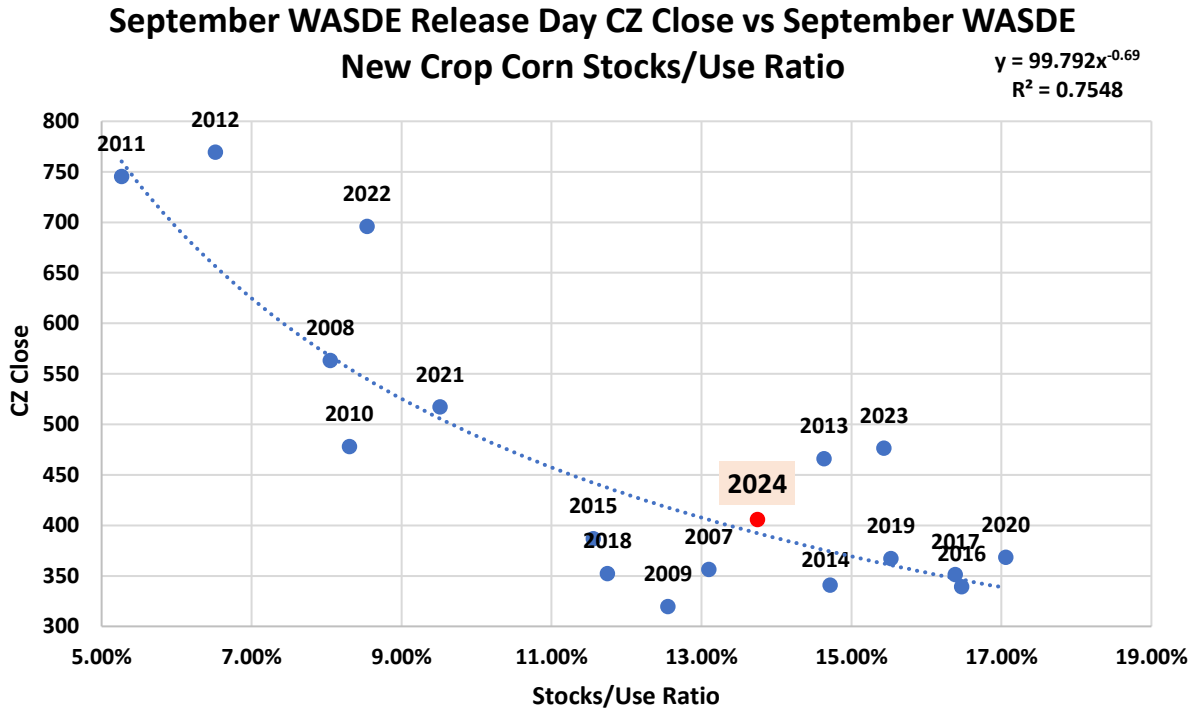
Today, we will review price scatters for December corn and November soybeans relative to the September WASDE release. The scatters are shown on the next page. If we take the trendline as gospel, the scatters imply that December corn should have a price of ~\$3.90 and November soybeans should have a price of ~\$9.25 based on the estimates that WASDE published last Thursday. The scatters suggest further downside risk in both the corn and soybean markets.

Day 1-7 QPF



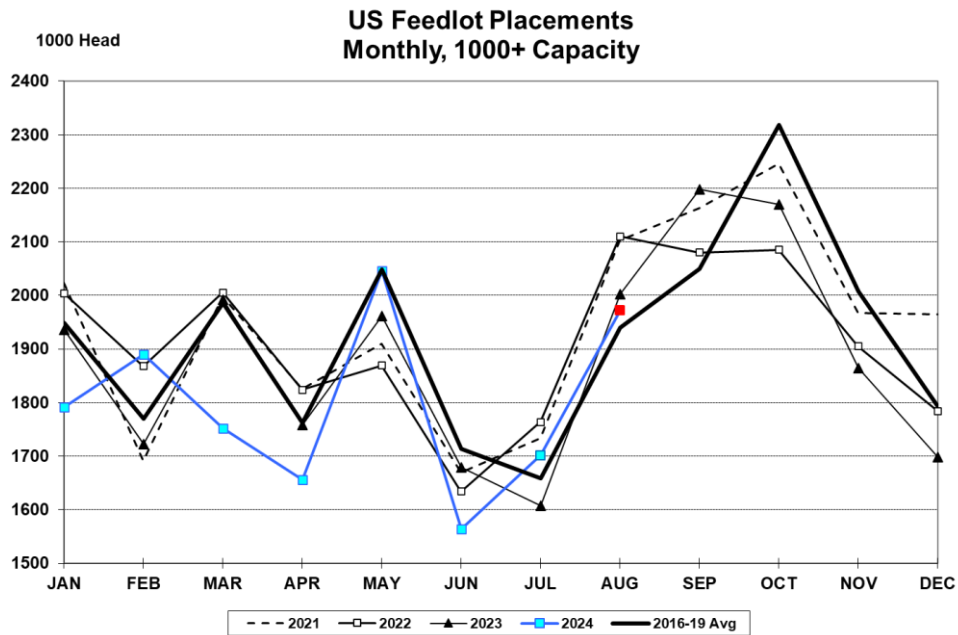
18-hour rainfall through 1 AM CDT (soybean areas shaded)



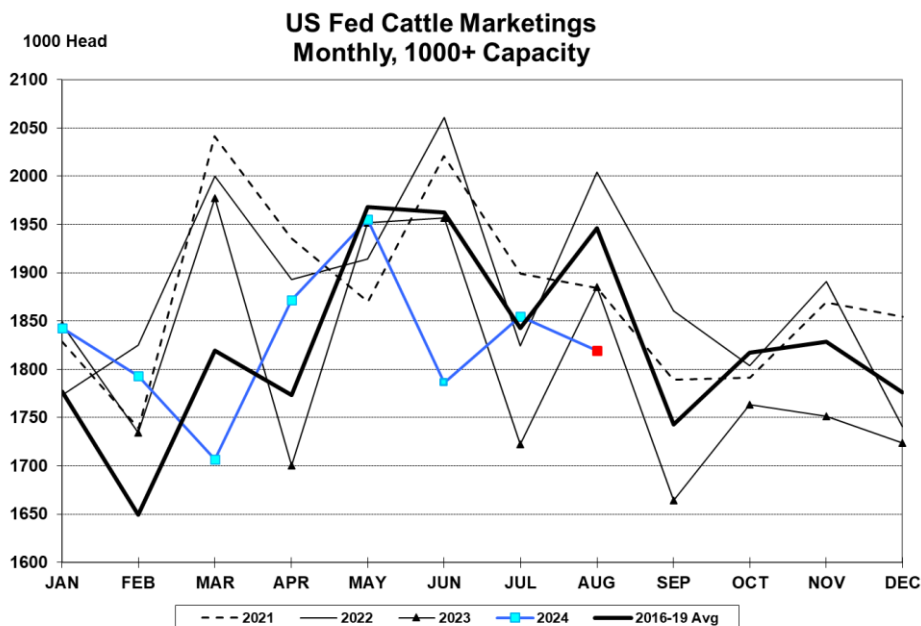


Livestock

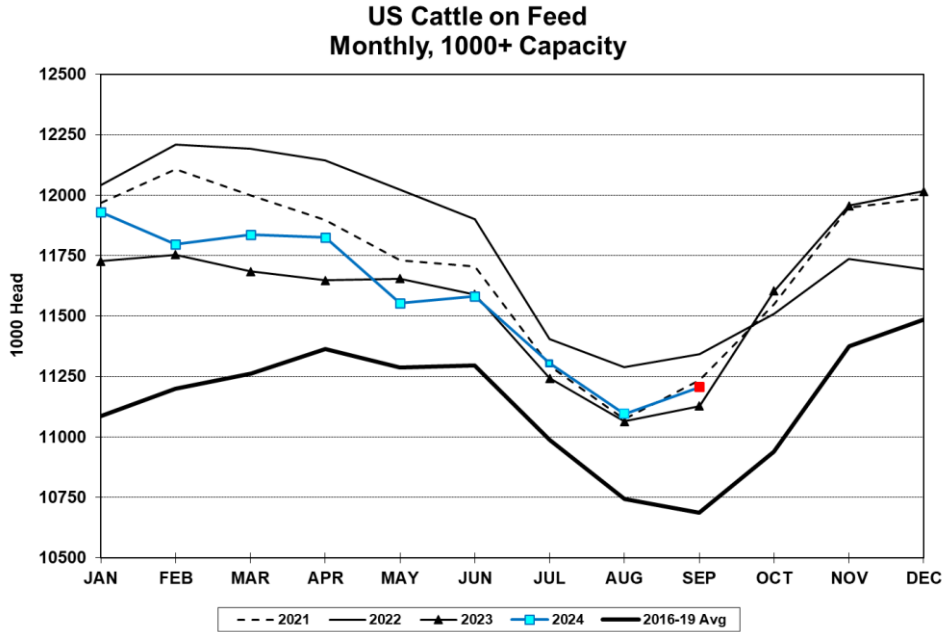
The pre-report estimates ahead of Friday’s Cattle on Feed report put August feedlot placements at 98.5% of last year, a seasonal increase from a month earlier and slightly above the 2016-19 average. The placement estimates ranged from 93.5% to 102.3% or from a low of 1.873 mil head to a high of 2.050 mil on the following chart.



August pre-report feedlot marketings were projected at 96.5% of last year in a range of 96% to 97.5%. Most of that YoY decline is related to one less business day during the month—the adjusted marketing pace was a more constructive 1% increase from last year.

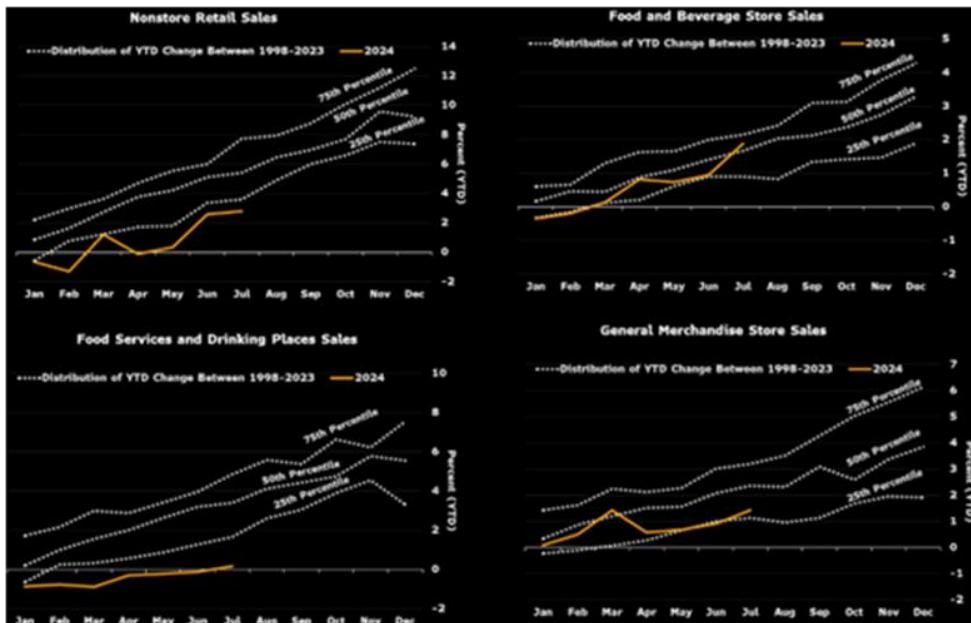


The pre-report estimate of the September 1 feedlot inventory was reported at 100.7% of last year, ranging from 100.1% to 101.3%.



Financials

We'll get a few economic releases this morning, including retail sales. Headline retail sales are forecast to decline in August, primarily due to a poor month of auto sales, and if you exclude auto sales, retail sales are forecast to increase. I'm stealing a chart from Bloomberg, but it shows that most categories (nonstore retail, general merchandise store, food services and drinking place) are seeing slower sales than usual. The exception is groceries, which has had above-average increases, showing that consumers remain focused on essentials.



Today's Calendar (all times Central)

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

Thanks for reading.

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