

## Weather

Severe weather, including high winds and hail, hit parts of Nebraska and Kansas, but beneficial rains fell across much of the region over the past 24 hours. Rain was still falling early Tuesday, especially in southeastern Kansas, where severe storms continued.

Widespread thunderstorms and more severe weather are expected over the next 48 hours across the central Plains, most of the Corn Belt, and the Mid-South. As is typical with summer storms, rainfall will be hit-or-miss; some areas will receive heavy totals, while others may get shortchanged.

Thursday will bring a brief dry spell across the central U.S., but “ridge-rider” storms may develop Thursday night in the northwestern Corn Belt and again Friday night in far northern areas. From Thursday through Sunday, high pressure will dominate, bringing dry and hot conditions to the central U.S. However, on its back side, a classic “ring of fire” setup is likely to trigger repeated thunderstorms starting Sunday night and continuing through June 26. Model agreement is strong, and this pattern has the potential to bring extremely heavy, possibly flooding-level rainfall.

As the ridge flattens around June 27, rain chances return to the eastern Corn Belt and Mid-South, with above-normal precipitation expected in the 11–to 15–day period, and temperatures are expected to moderate.

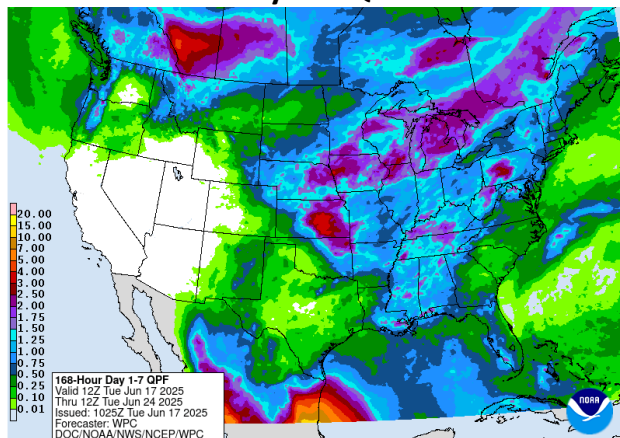
Heat remains a key focus: highs of 100–105°F are expected across the HRW wheat belt by Friday, with temperatures of 90°F or higher expanding into the Corn Belt by Saturday. Today’s forecast is hotter than yesterday’s, both in intensity and duration.

## Grains

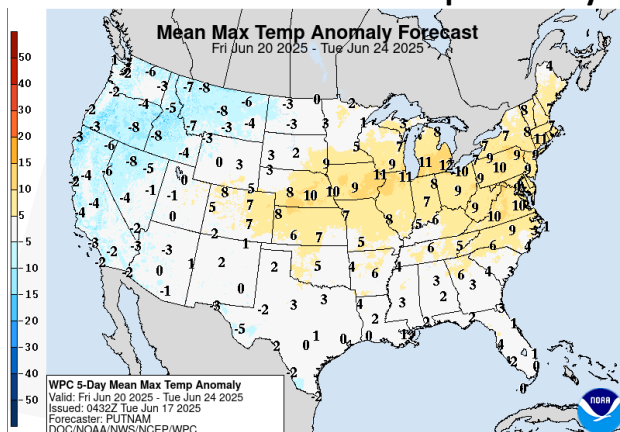
The scatters on the next page review the correlation between the current week’s condition rating (good + excellent) and the USDA August yield deviation from the Outlook Forum’s “trend” yield. I hesitate even to present these scatters because I don’t think it’s a worthwhile discussion to consider yields before we have a better understanding of July and August weather. It’s frankly just too early in the growing season (the soybean crop isn’t even fully planted).

Regardless, we’ve had a few weeks of condition ratings, and the question of what yield we’re tracking toward always seems to come up. So, I’ll begrudgingly present the scatters on the next page.

### Day 1-7 QPF

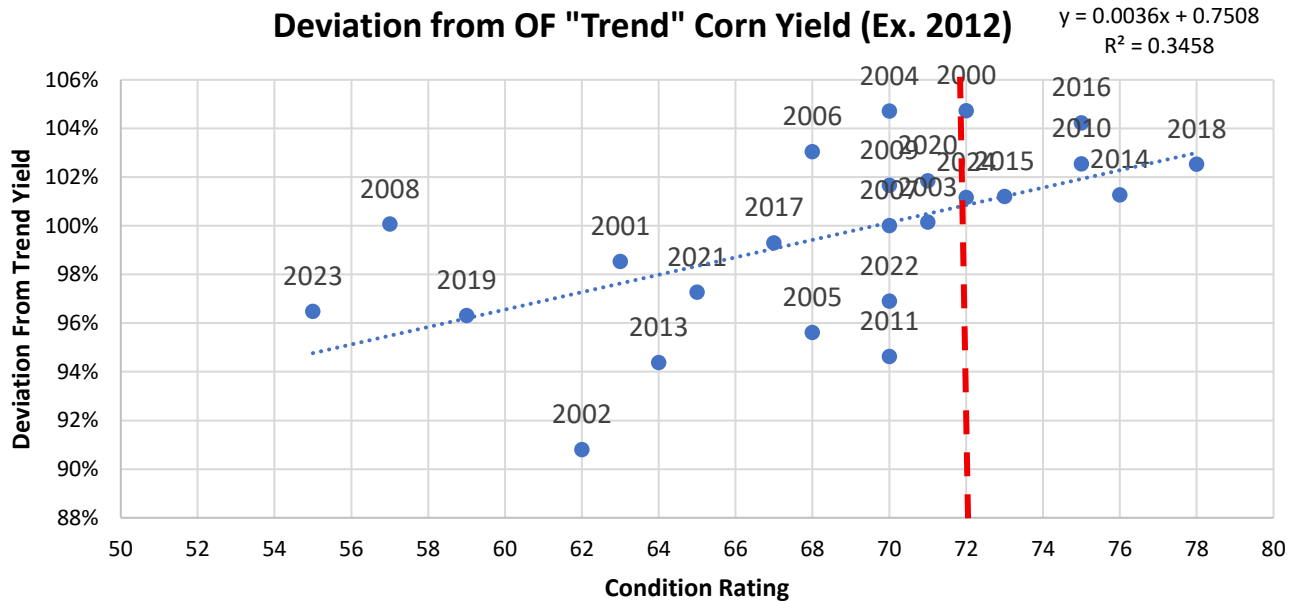


### June 20-24<sup>th</sup> Mean-Max Temp Anomaly

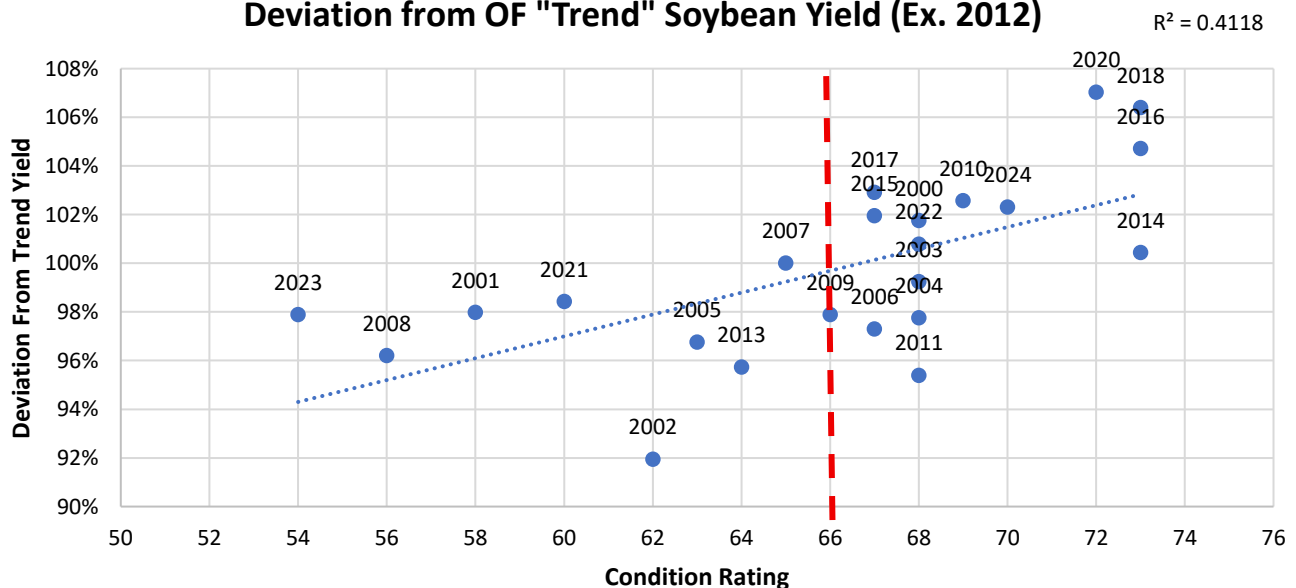


Note that I removed 2012 from the dataset for obvious reasons. The red line indicates this year, and based on the latest condition ratings for corn and beans, we appear to be right on track to meet the USDA's Outlook Forum's "trend" yield. Personally, I see no reason to deviate from that until we get a better understanding of the weather conditions in July and August. Thoughts appreciated.

## Week #24 Corn Condition Rating (G+E) vs. USDA August Yield Deviation from OF "Trend" Corn Yield (Ex. 2012)



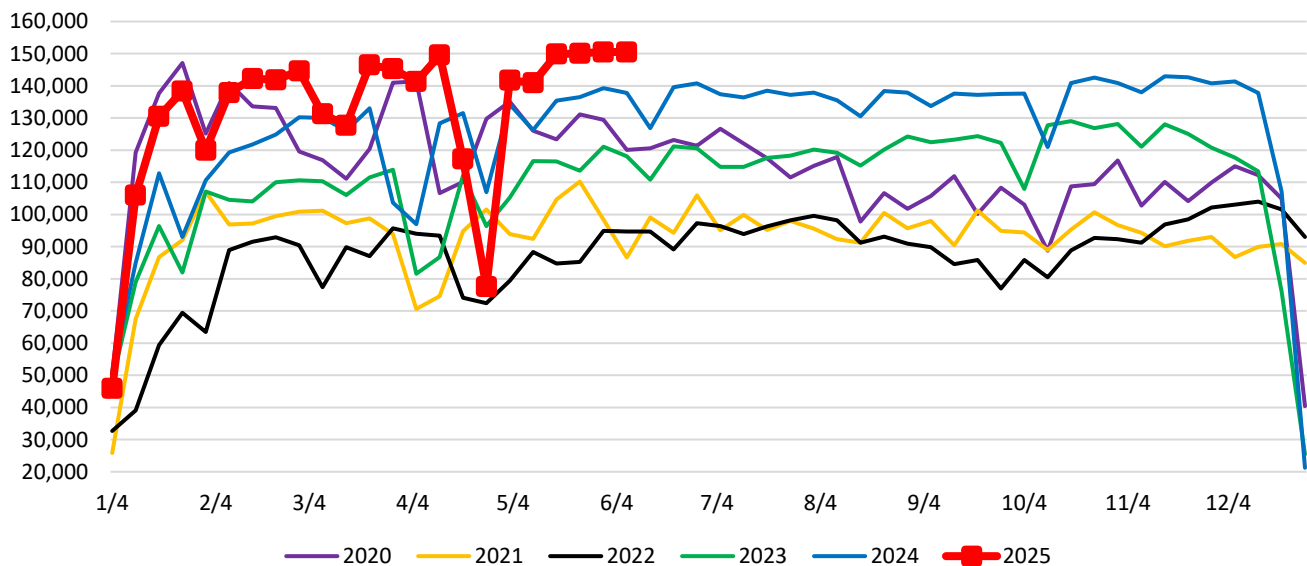
## Week #24 Soybean Condition Rating (G+E) vs. USDA August Yield Deviation from OF "Trend" Soybean Yield (Ex. 2012)



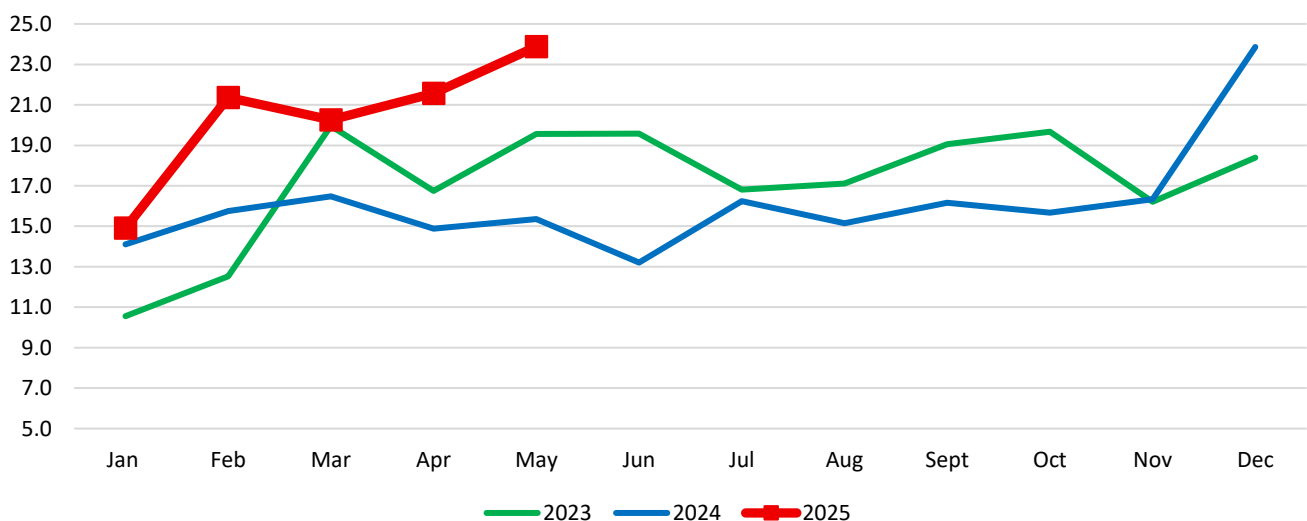
## Livestock

Just a quick check-in on Australian slaughter this morning. Slaughter volumes briefly dipped at the end of April due to a holiday week, but have since recovered to the top of the five-year range. The second chart below shows Australian beef exports to China. It's somewhat interesting to see that Chinese beef shipments from Australia have increased, as imports from the U.S. have declined.

### Australian Cattle Slaughter (Non-Calves)



### Australian Beef and Veal Exports to China (1,000 Tons, Shipped Weight)



## Financials

I wanted to review a few price ratios today. The charts below show the spot Gold/TLT and spot Silver/TLT ratios. For those unfamiliar with TLT, it tracks long-term U.S. Treasury bonds. TLT has come under pressure as post-COVID inflation cooled and market attention shifted toward the growing U.S. budget deficit and concerns over the sustainability of government spending. Since 2022, the relative value of gold and silver has increased significantly, with gold reaching record highs. This trend reflects a broader shift toward hard assets as a hedge against fiscal instability.

### Spot Gold/TLT Ratio



### Spot Silver/TLT Ratio



**Today's Calendar (all times Central)**

- Retail Sales – 7:30 am
- Industrial Production – 8:15 am

Thanks for reading.

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