Weather

Rain will be limited to localized areas in the southeastern Corn Belt during the day tomorrow. However, thunderstorms will return to the far northwest tomorrow night, marking the start of an active weather pattern likely to persist through July 28. With a northwest flow aloft, expect multiple rounds of "ridge-rider" storms. Rainfall should be at least normal across the Corn Belt, with most areas seeing above-normal, and in some cases, heavy totals.

Confidence is high in the temperature forecast for the central U.S. in Week One. The Corn Belt will see above-normal temperatures through Wednesday, highs in the upper 80s to low 90s, with some lows in the 70s. A cooldown follows Thursday through the weekend, especially in the northwest, where highs will dip into the 70s.

For Week Two, models are in full agreement on a significant warm-up, with much-above-normal temperatures likely in the southern Plains and possibly extending into the Corn Belt late in the period.

Grains

Official June weather data was released on Thursday, so I updated my weather-based corn and soybean yield model, and I would like to go through those findings today. The model incorporates July 1 conditions and June weather data, while assuming normal weather for July through September to estimate yields. It produces estimates for 10 states for corn and 7 states for soybeans. With those 10- and 7-state yield aggregations, we can then correlate them to the NASS August yield estimates.
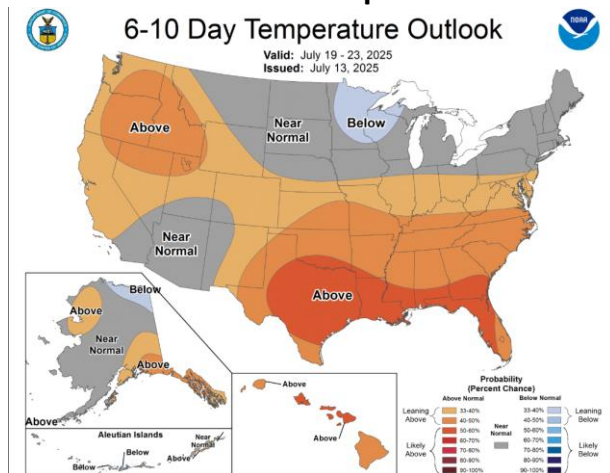
Day 1-5 QPF
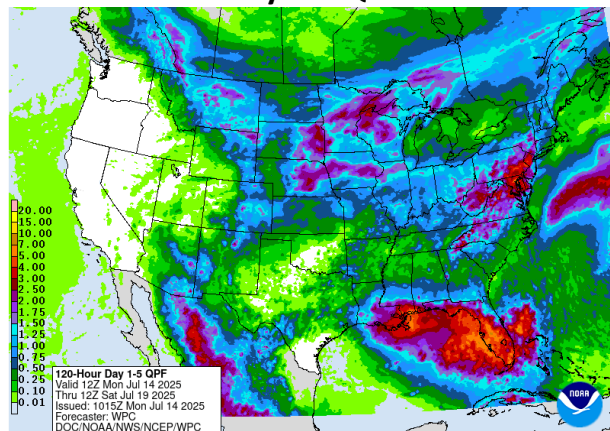
Day 6-7 QPF
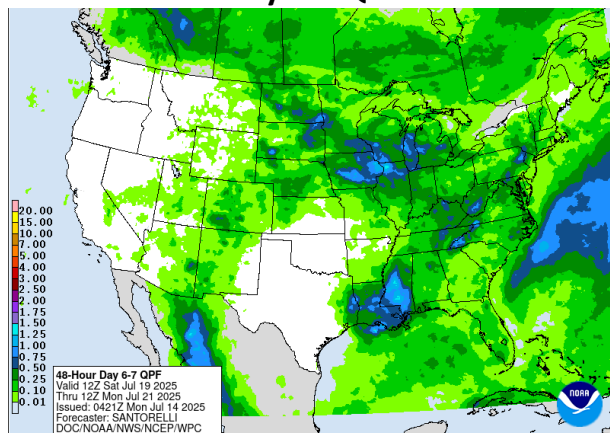

Jul 16-Jul 20 Temp Outlook

Starting with corn, there has been ongoing market discussion that USDA's July yield estimate of 181.0 bpa may have meaningful upside. While it's still relatively early in the growing season, my weather model seems to support that view. As shown in the table on the right, the 10-state July 1 corn yield is estimated at 194.8 bpa, with every state coming in above its "pre-plant" estimate.

We can then take this 10-state yield estimate and correlate it to the NASS August yield. If we take the trendline as gospel, it points to a national yield of **188.0 bpa**. Note the scatter below.

Weather Model Estimate Corn Yield					
	2024			**2025**	
State	**Model Final**	**USDA Final**	**Model - Final**	**Pre-Plant**	**1-Jul**
Ohio	166	177	-10.9	186	187
Indiana	201	198	3.0	195	198
Illinois	224	217	7.2	213	217
Wisconsin	178	174	3.9	183	185
Minnesota	188	174	13.5	194	197
Iowa	211	211	0.3	213	218
Missouri	187	183	3.8	167	173
South Dakota	168	164	3.8	165	171
Nebraska	191	188	3.0	193	196
Kansas	133	129	4.5	134	137
10-State	191.6	187.6	4.0	190.8	194.8

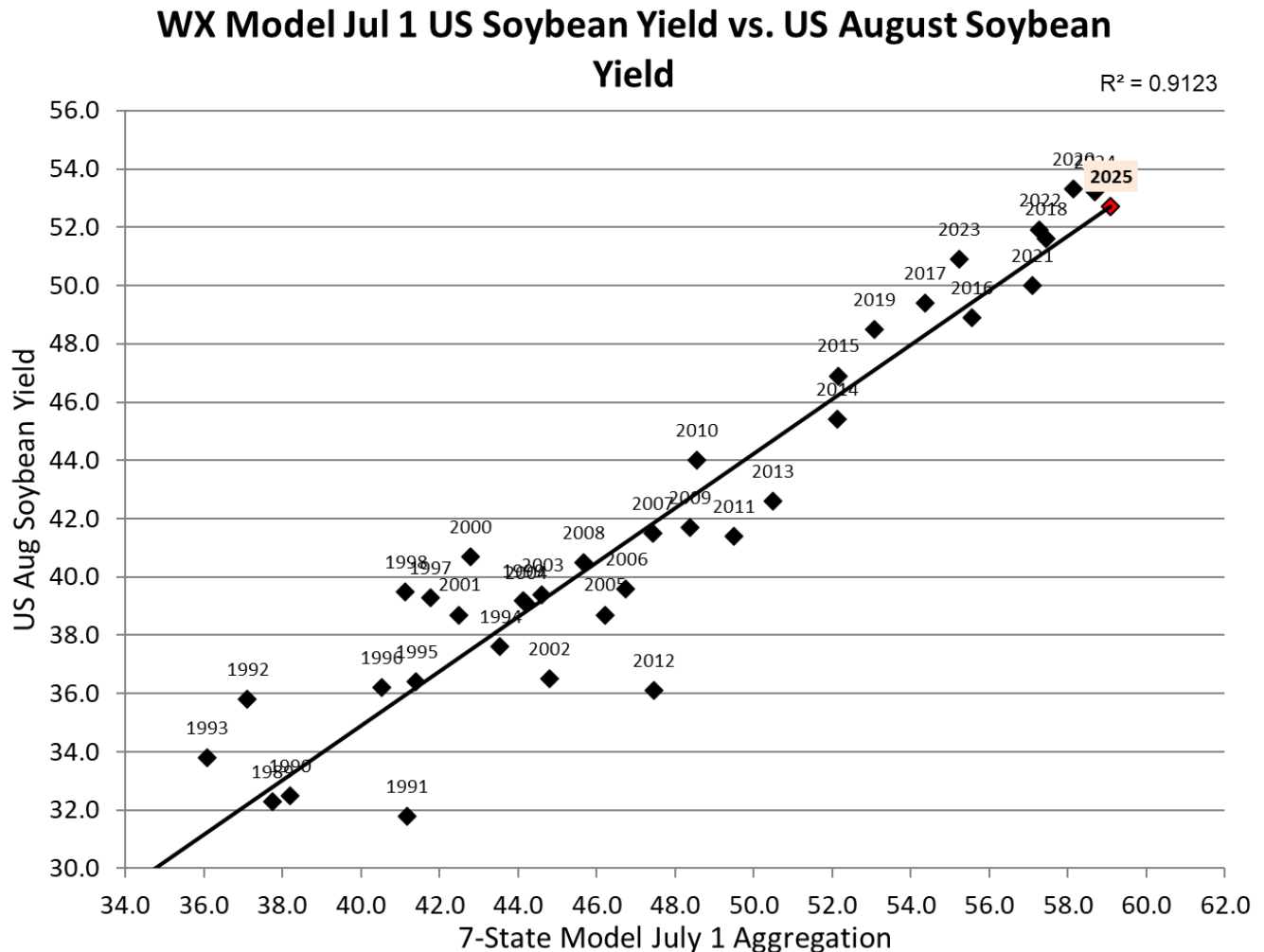WX Model Implied Jul 1 US Corn Yield vs. USDA August Corn Yield
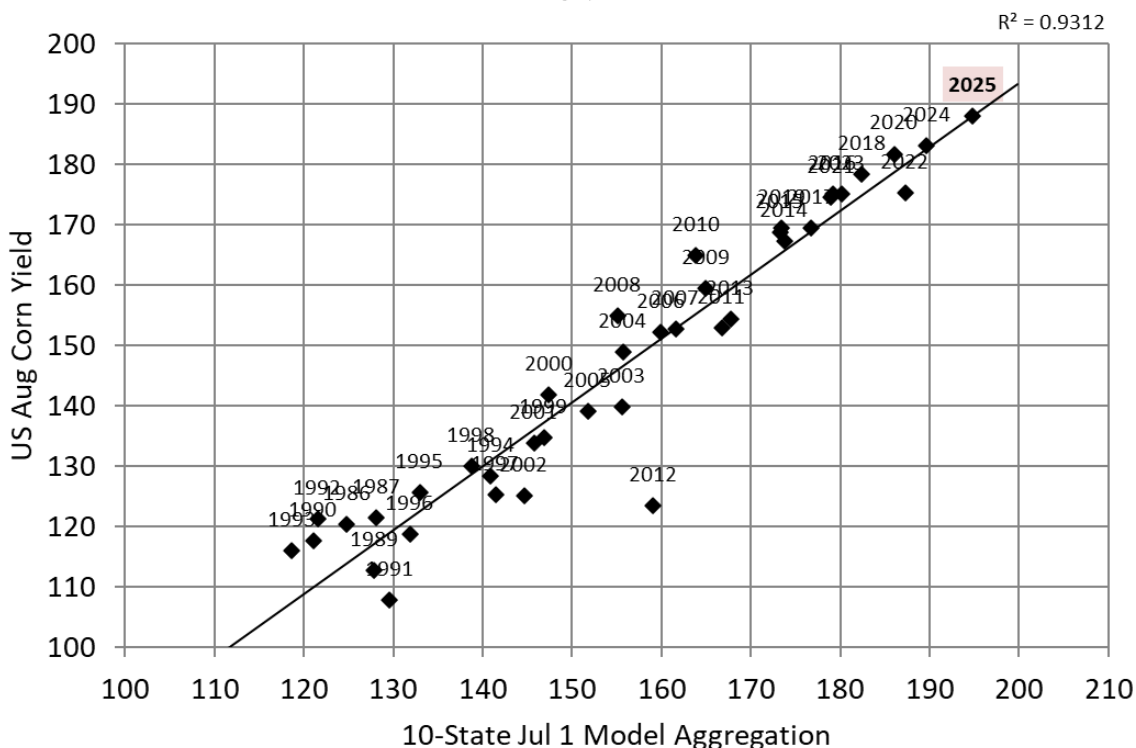
Shifting gears to soybeans, I ran the same analysis as I did for corn, and the model outputs are shown to the right. The 7-state aggregation is slightly above the "pre-plant" estimate, but conditions aren't uniformly stronger. Illinois and Arkansas are actually down from their "pre-plant" levels.

Looking at the regression coefficients, soybeans tend to perform well when June and July are hot and dry, followed by cooler, wetter conditions in August, when the crop is podding and most in need of moisture. That likely helps explain why soybean conditions haven't looked quite as strong as corn so far. In June, temperatures across the soybean belt were warm, 2.6°F above normal, but it was also relatively wet, with 5.20" of rainfall, or 0.99" above normal.

Weather Model Estimate Soybean Yield					
	2024			**2025**	
State	**Model Final**	**USDA Final**	**Model - Final**	**Pre-Plant**	**1-Jul**
Ohio	53.7	50.0	3.7	56.3	56.9
Indiana	60.4	59.0	1.4	59.6	60.3
Illinois	63.4	64.0	-0.6	63.6	63.3
Iowa	61.2	60.0	1.2	60.1	62.2
Minnesota	47.8	45.0	2.8	48.9	49.6
Nebraska	59.6	57.5	2.1	60.6	60.9
Arkansas	55.6	55.0	0.6	55.1	55.0
7-State	58.2	56.8	1.4	58.4	59.1

| Regression Coefficients with Annual Soybean Yields (1986 through 2024)									
	Trend (BPA per Trend Year)	**Week #34 Conditions (BPA/(G+E)**	**June Precip (BPA/In)**	**July Precip (BPA/In)**	**Aug Precip (BPA/In)**	**Sept Precip (BPA/In)**	**June Temp (BPA/Avg Degree)**	**July Temp (BPA/Avg Degree)**	**Aug Temp (BPA/Avg Degree)**	**Sept Temp (BPA/Avg Degree)**
OH	0.47	0.41	-0.21	-0.17	0.95	0.04	0.02	0.04	-0.21	0.17
IN	0.53	0.40	-0.14	-0.12	0.87	-0.26	0.54	0.00	-0.40	-0.10
IL	0.46	0.29	0.10	0.34	0.63	-0.17	0.84	0.08	-0.57	-0.06
MN	0.05	0.57	-0.19	-0.57	0.39	0.10	0.31	0.29	0.04	0.12
IA	0.35	0.60	-0.32	-0.30	0.29	-0.07	0.34	0.44	-0.26	0.23
NE	0.73	0.34	0.07	-0.12	0.59	0.62	0.34	0.07	-0.25	0.15
AR	0.60	0.21	-0.65	-0.16	0.14	-0.26	-0.08	-0.53	-0.47	-0.19

Let's now correlate this to the USDA August yield. At a 59.1 7-state yield, this would correlate to a NASS August soybean yield of **52.7 bpa,** up from 52.5 (USDA July estimate).

WX Model Jul 1 US Soybean Yield vs. US August Soybean Yield

R² = 0.9123

Chart: X-axis "7-State Model July 1 Aggregation" (34.0 to 62.0), Y-axis "US Aug Soybean Yield" (30.0 to 56.0). Data points labeled by year from 1989 to 2025, with a linear regression trendline. The 2025 point is highlighted near 59.0, 52.5.
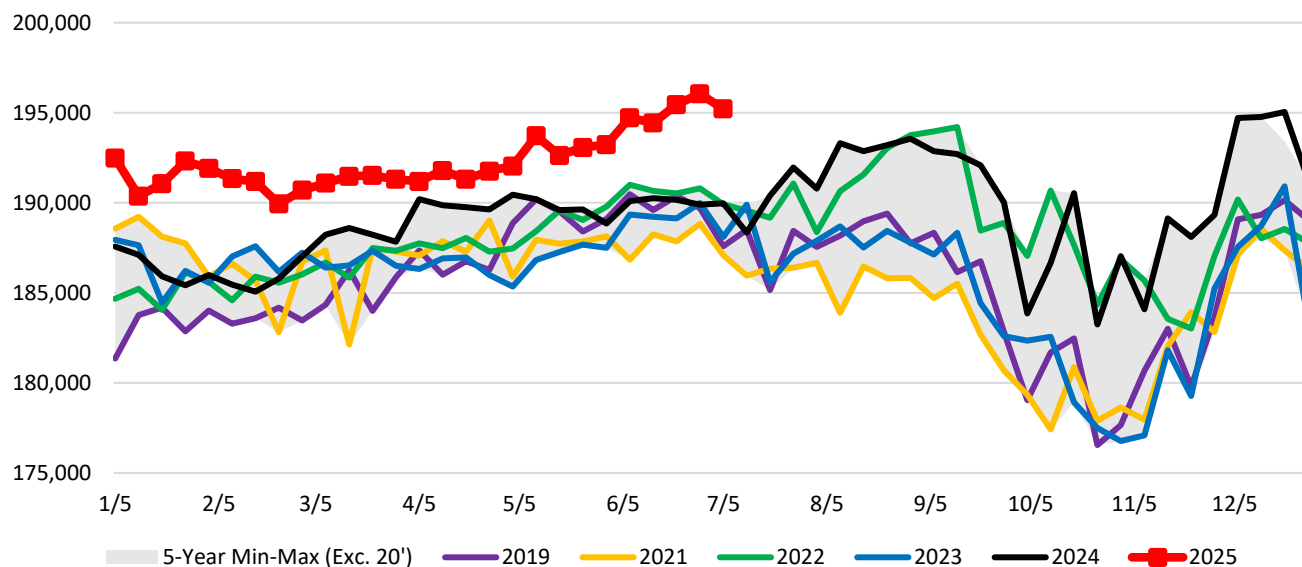
Livestock

Let's keep it simple today with a quick review of the latest Broiler Hatchery update. This is something worth casually monitoring. I usually check in every few weeks to see if there are any notable changes. So far, there haven't been. Both chicks placed and eggs set continue to come in at record levels. While egg hatchability is on the lower end of recent trends, record-high weights are helping to boost overall broiler production.

Broiler Eggs Set in Incubators (1,000 Eggs)

Legend: 5-Year Min-Max Range (Exc. 20') | 2019 | 2021 | 2022 | 2023 | 2024 | 2025
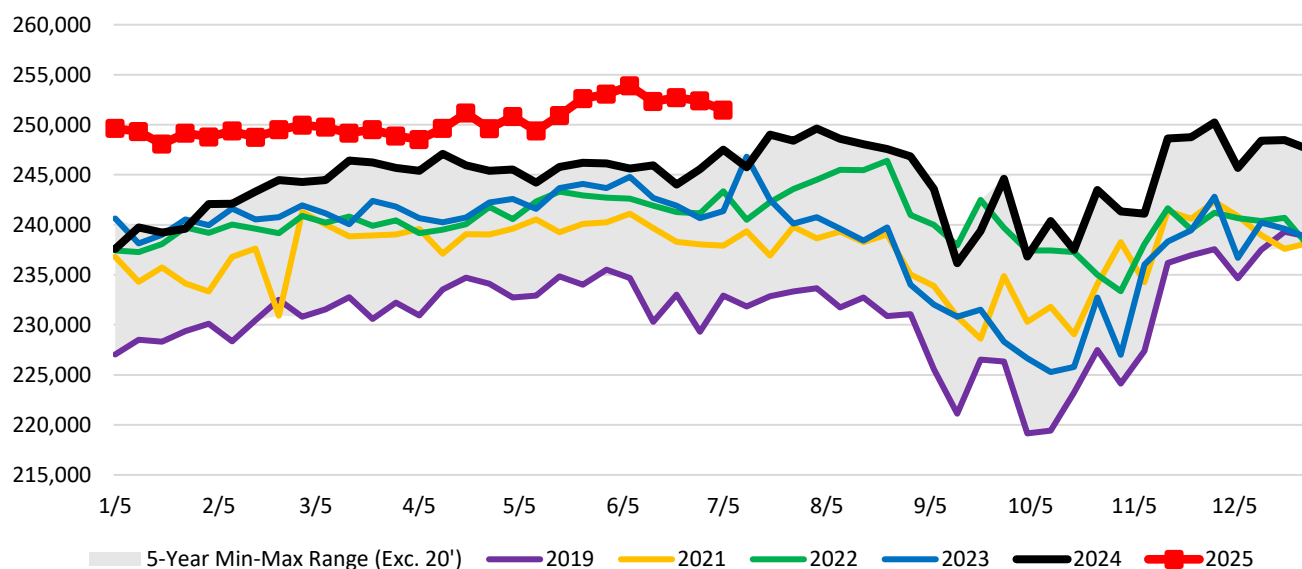
Broiler Chicks Placed for Meat Production (1,000 Chicks)

Legend: 5-Year Min-Max (Exc. 20') | 2019 | 2021 | 2022 | 2023 | 2024 | 2025

Financials

We received an update on the June budget deficit, and the unthinkable happened: the U.S. federal government posted a budget **surplus**, the first for June since 2016. While modest at $27.0 billion, it came as a surprise compared to the expected $30.0 billion deficit. The chart below shows the cumulative budget balance, which, after this positive month, brings the fiscal trajectory back in line with levels seen in FY 2022–23 and 2023–24. That said, the cumulative deficit still stands at a substantial $1.34 trillion.

US Fiscal Year Cumulative Budget Deficit (Bil USD)
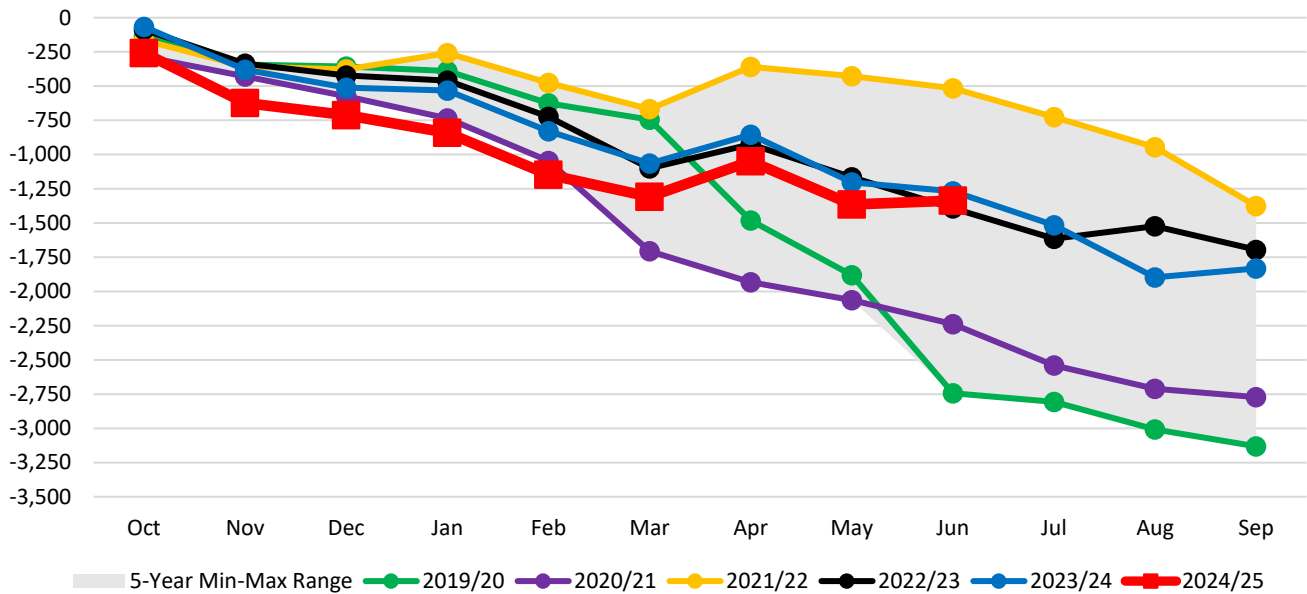
A surge in tariff revenue (customs net receipts) was a driver behind the unexpected budget surplus. As shown in the chart below, customs net receipts spiked to approximately $27 billion. While tariff policy remains highly fluid, the data raises an interesting question: Depending on how the U.S. economy grows under the Big Beautiful Bill, could tariffs act as a meaningful tool for reducing the federal budget deficit?

US Treasury Federal Budget Net Receipts Customs (Billion $)
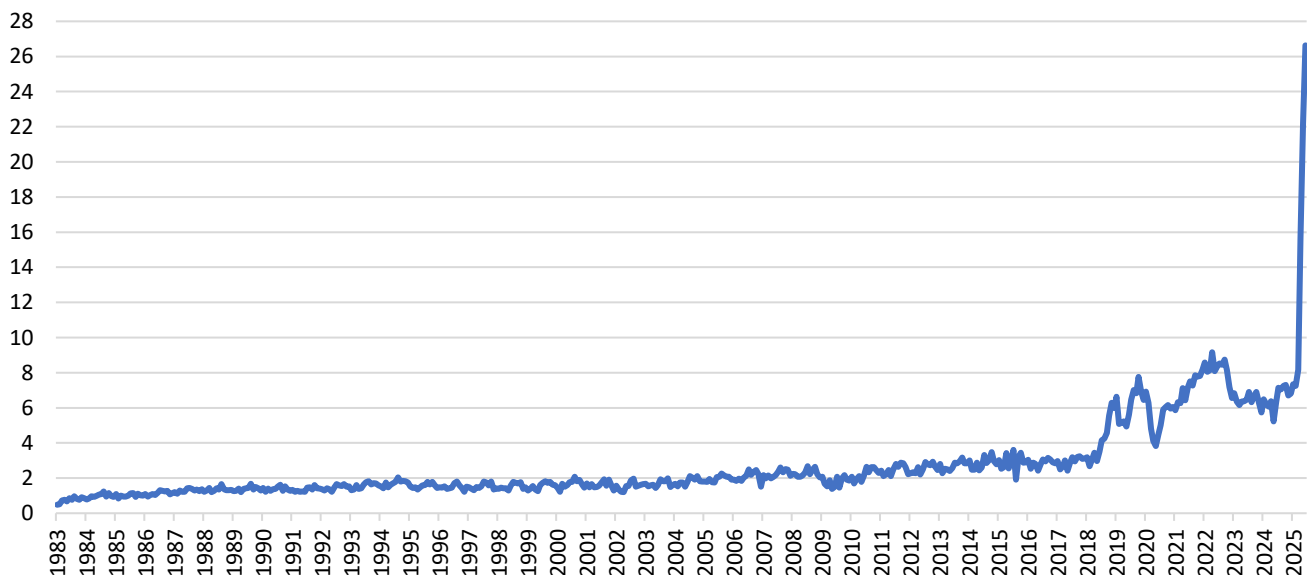
Today's Calendar (all times Central)

- Export Inspections – 10:00 am
- Crop Progress – 3:00 pm

Thanks for reading.
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