

Weather

The standout weather event over the past 24 hours was the heavy rainfall across central Kansas, highlighting once again the challenges of forecasting summer rainfall. Confirmed totals exceeded 2 inches in Great Bend, Salina, and Lyons, with radar indicating isolated areas surpassing 5 inches.

Rainfall early Tuesday was most widespread in the northern Plains, covering northern South Dakota, North Dakota, and far northwestern Minnesota. This region, along with the far northwestern Corn Belt, will continue to see substantial rainfall through tomorrow.

Rain will gradually shift southeastward tomorrow night, bringing widespread rain chances to the entire Corn Belt through at least Saturday. Significant and possibly heavy rainfall is likely in many areas. Beyond Sunday (July 27), forecasts become less certain. However, a northwest flow aloft is expected to continue delivering multiple rounds of thunderstorms into the Corn Belt through August 5.

July 22–29 remains the period of peak warmth, with temperatures forecast to run 4–6°F above normal. The hottest days will be July 23–24 and July 28–29, with some areas seeing temperatures 10°F above normal. Highs of 95°F+ will mainly be limited to Missouri, Kansas, and southern Nebraska. Morning lows across much of the region will range from 70–75°F+.

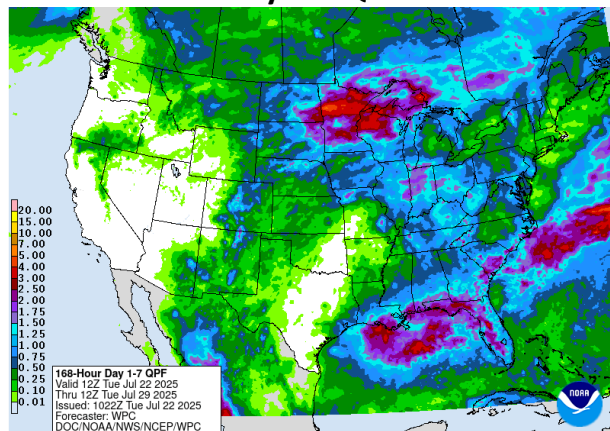
Cooler conditions are expected to return across the Corn Belt from July 31 to August 4, with temperatures running 1–3°F below normal. A warming trend may resume by August 5.

Grains

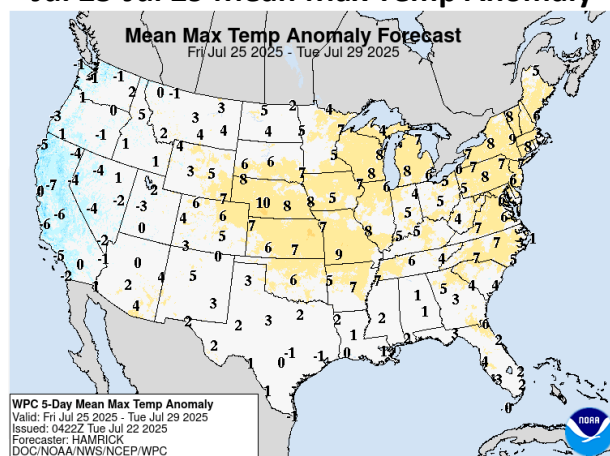
I wanted to check in on U.S. soybean sales for the upcoming marketing year, and one detail stands out: China remains completely absent from the U.S. soybean market. For the seventh straight week, there are zero sales to China on the books for either the current or next marketing year. For this time of year, that marks the lowest combined outstanding sales to China since 2005. At this point last year, we had about 700,000 metric tons on the books, already a 20-year low at the time. As shown in the second chart on the next page, total outstanding sales for the next marketing year are currently just above last year's pace, which was the lowest since 2005.

With private estimates for 2025/26 exports ranging from 1.40 to 1.75 billion bushels, reflecting ongoing uncertainty around the trade war, the continued absence of Chinese demand and the weak overall sales pace are, in my view, significant and warrant market attention.

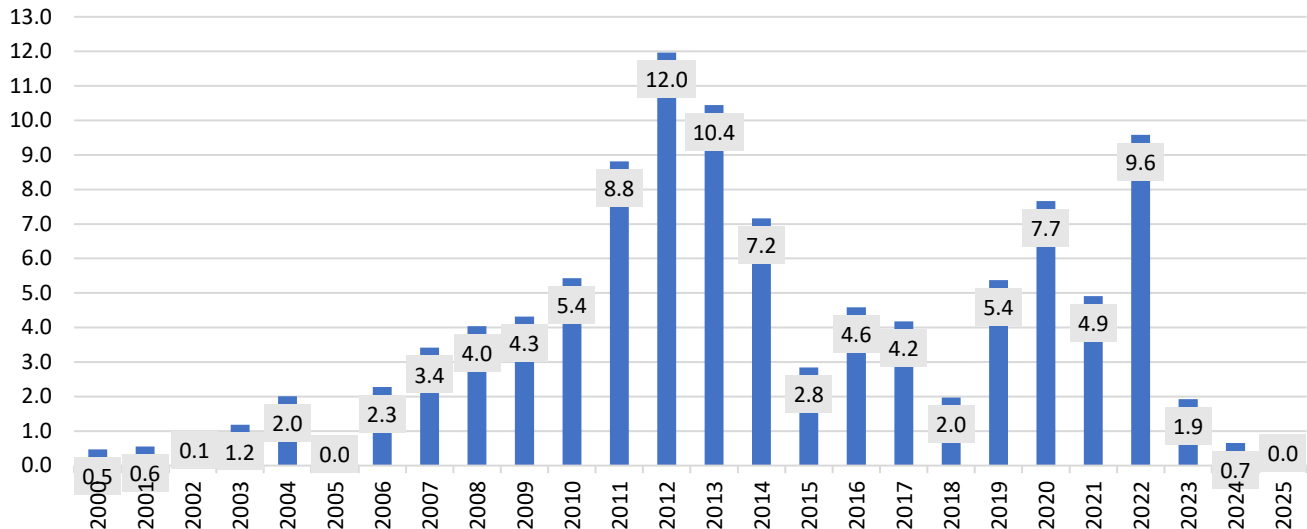
Day 1-7 QPF



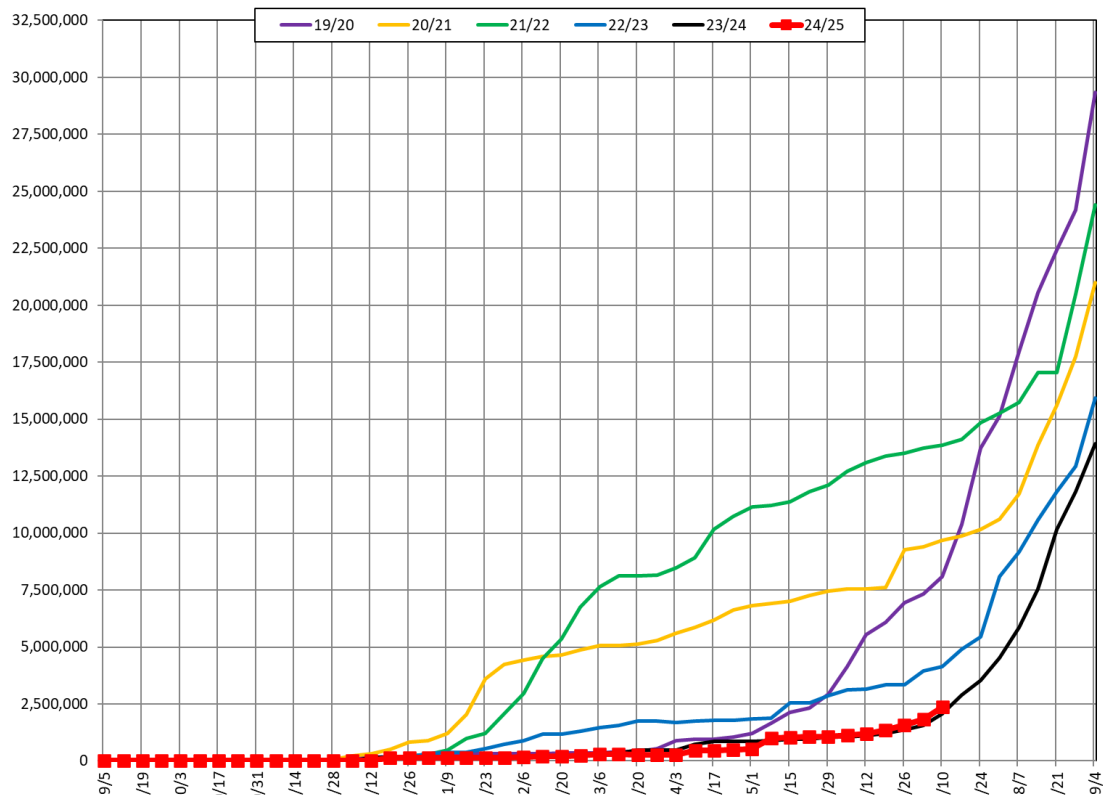
Jul 25-Jul 29 Mean Max Temp Anomaly



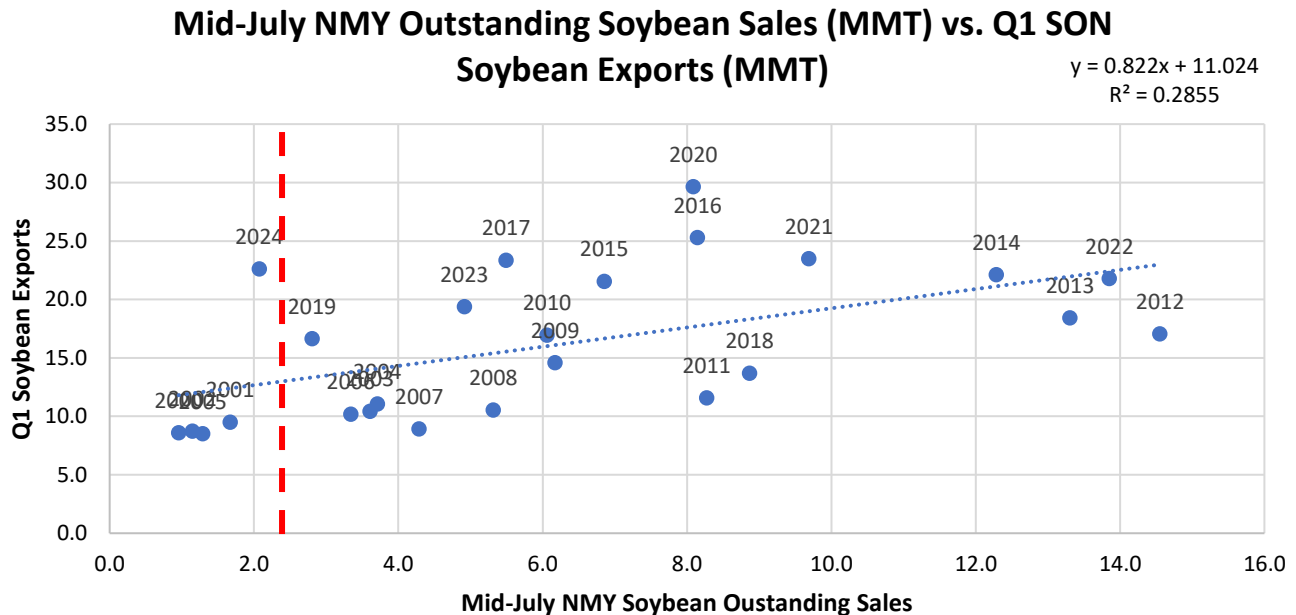
US CMY & NMY Combined Outstanding Soybean Sales to China as of Mid-July MMT



Soybean Next Marketing Year Outstanding Sales (MT)



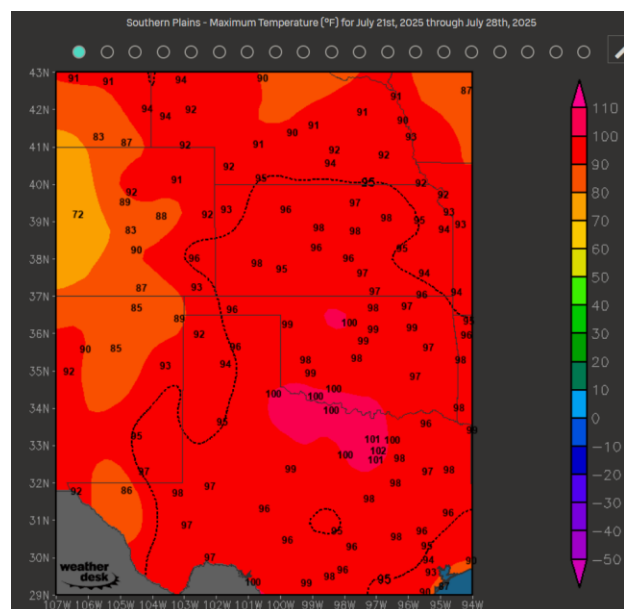
I will say that it is still relatively early in the game, and last year serves as a good reminder, early sales didn't accurately reflect Q1 (SON) exports. That said, I wanted to take a quick look at how mid-July sales typically correlate with SON exports. I expected the relationship to be relatively weak, given that we're still about six weeks out from the start of the new marketing year. Still, the scatter below shows there is *some* correlation. It's not especially strong, but it does point toward relatively modest SON exports. Keep an eye on new marketing year sales in the upcoming export sales reports.



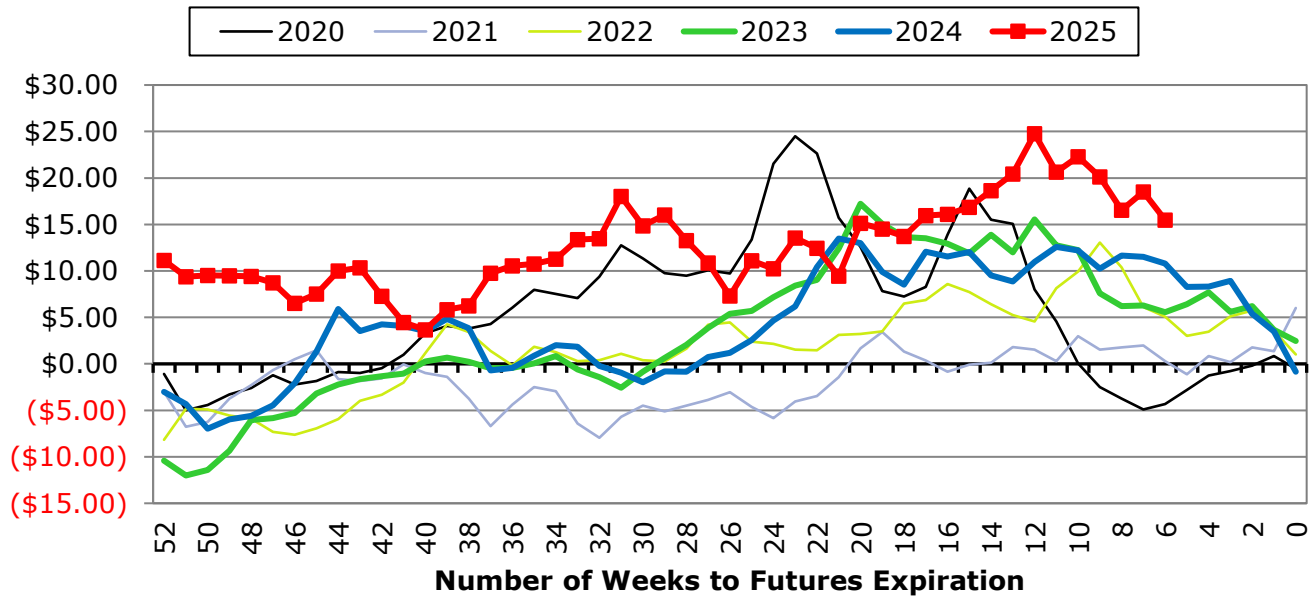
Livestock

The chart to the right shows maximum temperatures over the next week. We'll likely see highs in the upper 90s to low 100s across much of the Plains states, which could temper production numbers during that period. Additionally, this extreme heat may reduce what cattle feeders are willing to accept, potentially eroding some of the leverage they've maintained for much of the year.

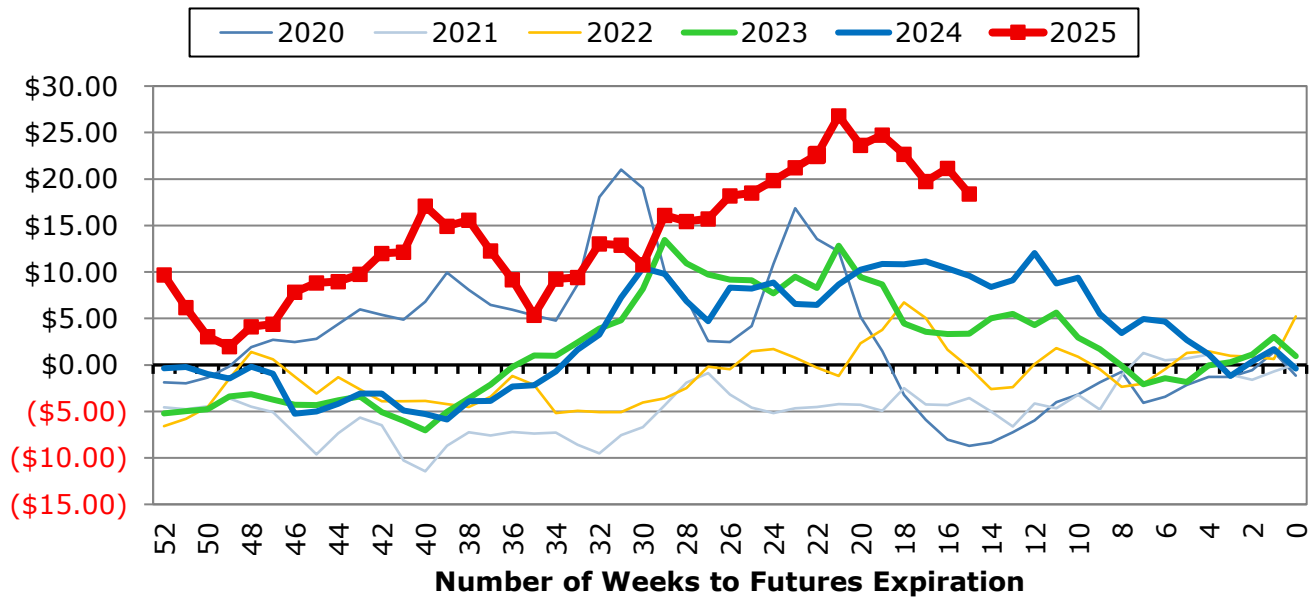
With that in mind, I want to review basis briefly. As always, I'm using the five-area average steer price for my cash reference. As the charts on the next page indicate, basis levels for the August and October contracts continue to remain historically strong and well above last year's levels.



August Live Cattle Basis



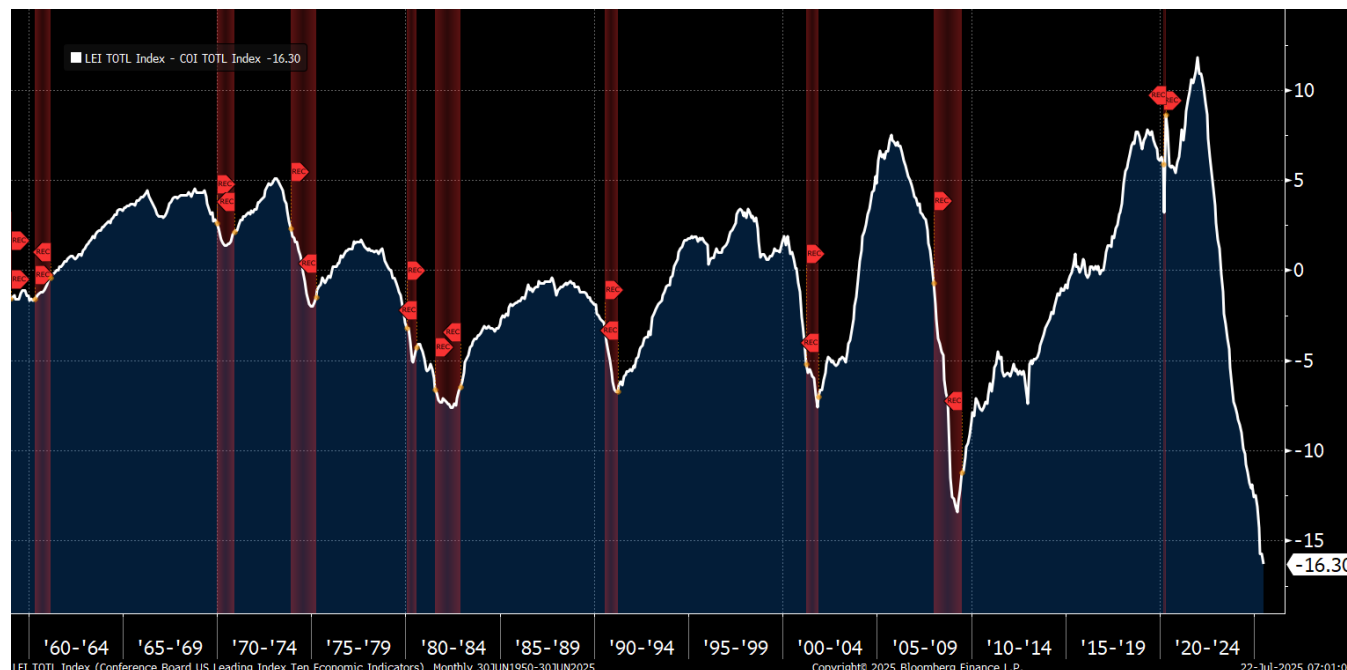
October Live Cattle Basis History



Financials

I'm continuing the theme from yesterday and showing a chart based on the U.S. Leading Economic Index, which we got an update on yesterday. The chart on the next page shows the spread between the Leading Index and

the Coincident Index, both published by The Conference Board. The Coincident Index reflects current economic conditions, essentially, it tracks the GDP-like pulse of the economy. Historically, when this spread turns negative, it has often coincided with the onset of a recession. As you can see, we're now at historically low levels. Of course, if this indicator were perfect, we would have already seen a recession. Still, it reinforces the point from yesterday: economic data continues to show underlying weakness, even as equity markets reach new record highs.



Today's Calendar (all times Central)

- Nothing noteworthy

Thanks for reading.

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