

**July 2, 2024**

**Weather:**

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**WORLD WEATHER HIGHLIGHTS FOR JULY 2, 2024**

- A good mix of rain and sunshine is expected in U.S. Midwestern crop areas during the next ten days
  - Some heavy rain is expected in the western Corn Belt
- Timely rain will fall in the Delta and southeastern states
- Temperatures will be milder across the central and eastern states for the coming week and a little closer to normal next week
  - The combination of periodic rain and seasonable temperatures will develop crops aggressively
- Hurricane Beryl was packing a sustained wind speed of 165 mph with gusts over 200 mph during the night and early this morning over open water in the eastern Caribbean Sea
  - The storm will begin weakening today and should continue to weaken until landfall in the Yucatan Peninsula of Mexico Friday
  - Beryl will be downgraded to tropical storm status after moving across the Yucatan Peninsula and will then move toward the upper Mexico east coast of South Texas where landfall is possible early next week
  - Torrential rain and flooding will impact land wherever the storm goes
- Drying has resumed in Russia's Southern Region, central and eastern Ukraine and areas north into Russia's Central Region and middle Volga River Basin for the next ten days
  - Temperatures will be warmer than usual inducing quick drying and crop stress
  - Extreme highs in the 90s are anticipated with a possible reading over 100 in Ukraine later this week into early next week
- Eastern Europe was quite warm again Monday and the heat will shift a little more to the east of the next few days before retreating back to the west during the weekend and especially next week
- Europe will see a mostly good mix of rain and sunshine over the next ten days
- China's drought stricken North China Plain and lower Yellow River Basin will see rain in this coming week to ten days offering relief to dryness that has been quite persistent recently
- Australia will continue to see a good mix of rain and sunshine for establishing winter crops

- Queensland and northern New South Wales along with parts of South Australia may be wettest beginning Friday in South Australia and shifting to Queensland and northern New South Wales during the weekend and early next week
- South Africa may get some rain in the southwest eventually to improve winter crops
- Southern Brazil will see additional rain in the coming ten days maintaining wet field conditions
  - Some of the rain will also impact Paraguay, Uruguay and northeastern Argentina
- The bulk of Argentina and Brazil will be dry outside of the areas noted above
- India's monsoon will bring rain to many areas during the next two weeks with the central and northeast wettest

## News:

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- **USDA reported private sale of 100,000 metric tons of corn for delivery to Colombia during the 2023/2024 marketing year.**
- Grain traders reported around 60,000 mt of US or South American origin Soymeal was bought by Nonghyup Feed and South Korea's Feed Leaders Committee bought 65,000 mt of South American origin Corn.
- **The latest USDA attaché report from Brazil lowered their 23/24 soybean production forecast to 150 mln mt vs USDA's June projection of 153 mmt,** Production was lowered on flooding in Rio Grande do Sul and reduced yields in various states.
- **The USDA census crush report showed May crush recovered to 191.97 mb, a new record for the month.** Crush was up from 177.7 mb in April and 189.3 mb in May 2023 but below the average trade guess on crush was 193.8 mb. The average daily rate of crush in May was 6.192 mb/day compared to 5.924 mb in April and 6.106 mb in May 2023. Marketing year to date crush stands at 1.743 bb compared to 1.683 bb at this time last year, in increase of 3.5% and compares to the USDA forecast for crush to increase by 3.5% from last year. **Oil stocks at the end of May stood at 2.186 bln lbs, down from 2.311 bln lbs in April and 2.386 bln lbs in May 2023. The average trade guess was 2.215 bln lbs. Meal inventories expanded to 309,446 short tons from 287,066 in April but below May of 2023 stocks of 388,763**
- Dr. Cordonnier is using USDA's corn planted acreage figure, but he cut harvested acreage by 910,000 acres to 82.538 million (90.2% of planted area) and maintained his yield estimate at 179 bu. per acre. That lowered his corn production forecast to 14.77 billion bushels. For soybeans, Cordonnier is using USDA's planted acreage figure, but he cut harvested acreage 750,000 acres to 84.511 million acres (99.0% of planted area) and kept his yield estimate at 52 bu. per acre. That reduced his soybean production forecast to 4.39 billion bushels.
- **Shell will pause construction work at one of Europe's largest biofuels plants due to weak market conditions, the latest low-carbon project to suffer a setback. Shell started development of the 820,000-ton-per-year plant in the**

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**Netherlands in September 2021, which was originally planned to start production in 2025. The project is now expected to go online toward the end of the decade. Rival BP last week said it is pausing two biofuels' projects in Germany and the U.S.**

- Vegoil traders in India say the country's imports of palm oil during June 2024 rose by 3% to 788,000 mt. That's the highest level since December 2023. Lower prices compared to other vegoils are said to make it attractive, and dealers are seeking to stockpile cheap oil ahead of the upcoming festival season.
- Tyson Foods Inc. is downsizing its antibiotic-free beef offerings after backing away from chicken raised without antibiotics last year. In moves pointing to a broader shift, the company told a major customer late in 2023 that it wouldn't be able to keep supplying it with beef raised without antibiotics, according to Bloomberg citing a person familiar with the decision. Tyson also said antibiotic-free beef from its Open Prairie Natural Meats brand would be limited starting in January, according to a document seen by Bloomberg.
- Indonesia's rice output in January to August this year is estimated at 21.39 MMT, down 9.5% from the same period last year, the country's statistics agency said. The country's rice-planted area is forecast to decline 7.5% from a year ago to 7.24 million hectares.
- Reports from Australia say fast food giant McDonald's franchisees have cut back breakfast hours due to shortage of eggs from domestic outbreaks of bird flu in eleven poultry operations.

Source: NASS and Linn & Associates

## Winter Wheat Conditions

State	This Week's Condition		Change from last *WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
Arkansas	8%	61%	+0%	+0%
California	0%	95%	+0%	+0%
Colorado	25%	40%	-13%	+4%
Idaho	5%	81%	+0%	+1%
Illinois	1%	77%	+0%	+0%
Indiana	4%	77%	+0%	-2%
Kansas	24%	40%	+1%	-2%
Michigan	2%	75%	+1%	-1%
Missouri	3%	82%	+0%	+0%
Montana	2%	60%	+1%	-6%
Nebraska	8%	67%	+3%	-2%
North Carolina	8%	64%	+0%	+0%
Ohio	5%	72%	+0%	+2%
Oklahoma	12%	61%	+0%	+0%
Oregon	11%	67%	-2%	+8%
South Dakota	5%	76%	+1%	+3%
Texas	17%	28%	+0%	+0%
Washington	22%	48%	+1%	-3%
<b>US Average*</b>	<b>15%</b>	<b>51%</b>	<b>+0%</b>	<b>-1%</b>
<b>US This week in 2023</b>	<b>29%</b>	<b>40%</b>	<b>xxx</b>	<b>xxx</b>

\*\*Represents 89% of 2023 U.S. Winter Wheat Acres

## Spring Wheat Conditions

State	This Week's Condition		Change from *LAST WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
Idaho	2%	73%	-1%	+3%
Minnesota	1%	86%	-4%	+5%
Montana	4%	57%	+0%	-9%
North Dakota	3%	78%	-1%	+6%
South Dakota	3%	81%	+1%	+3%
Washington	10%	55%	-2%	+5%
<b>US Average*</b>	<b>4%</b>	<b>72%</b>	<b>+0%</b>	<b>+1%</b>
<b>US this date last year</b>	<b>12%</b>	<b>48%</b>	<b>xxx</b>	<b>xxx</b>

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## Winter Wheat - Percent Harvested

State	This Week vs. last week		vs. last year vs. five yr avg	
Arkansas	94%	11%	+3%	+4%
California	45%	20%	+8%	-14%
Colorado	23%	22%	+23%	+17%
Idaho	0%	0%	+0%	+0%
Illinois	89%	17%	+16%	+21%
Indiana	64%	25%	+32%	+30%
Kansas	80%	27%	+41%	+31%
Michigan	3%	3%	+3%	+3%
Missouri	92%	16%	+9%	+24%
Montana	0%	0%	+0%	+0%
Nebraska	13%	11%	+11%	+8%
North Carolina	86%	13%	+4%	+9%
Ohio	49%	32%	+45%	+35%
Oklahoma	100%	5%	+27%	+16%
Oregon	0%	0%	+0%	-1%
South Dakota	0%	0%	-1%	+0%
Texas	87%	13%	+4%	+2%
Washington	0%	0%	+0%	+0%
<b>US Average</b>	<b>54%</b>	<b>+14%</b>	<b>+21%</b>	<b>+15%</b>

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## Corn Conditions

State	This Week's Condition		Change from *LAST WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
CO	12%	55%	-2%	-3%
IL	10%	65%	+0%	+3%
IN	9%	65%	-2%	+2%
IA	7%	73%	+2%	-4%
KS	9%	57%	+3%	-5%
KY	9%	64%	+0%	-1%
MI	2%	73%	-1%	+2%
MN	9%	62%	+2%	-3%
MO	7%	78%	+1%	+1%
NE	4%	80%	+1%	-2%
NC	68%	17%	+19%	-13%
ND	7%	70%	+2%	+2%
OH	8%	66%	+3%	+6%
PA	2%	87%	+1%	-3%
SD	9%	73%	+2%	+1%
TN	9%	65%	-1%	-4%
TX	16%	52%	+1%	-1%
WI	10%	61%	+2%	-4%
<b>US Average*</b>	<b>9%</b>	<b>67%</b>	<b>+2%</b>	<b>-2%</b>
<b>US this date last year</b>	<b>15%</b>	<b>51%</b>	<b>xxx</b>	<b>xxx</b>

## Soybean Conditions

State	This Week's Condition		Change from *LAST WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
AR	5%	74%	-1%	+3%
IL	9%	64%	-1%	+5%
IN	9%	64%	-3%	+3%
IA	7%	72%	+1%	-2%
KS	4%	69%	+0%	-3%
KY	10%	64%	-1%	+1%
LA	3%	83%	+0%	-5%
MI	6%	59%	-1%	-3%
MN	8%	62%	+1%	-4%
MS	7%	69%	+0%	+3%
MO	7%	76%	+1%	+1%
NE	3%	78%	+0%	-1%
NC	30%	23%	+2%	-11%
ND	9%	64%	+3%	-2%
OH	9%	63%	+2%	+2%
SD	11%	73%	+2%	+1%
TN	7%	71%	+0%	-1%
WI	11%	57%	+4%	-7%
<b>US Average*</b>	<b>8%</b>	<b>67%</b>	<b>+0%</b>	<b>+0%</b>
<b>US this date last year</b>	<b>15%</b>	<b>50%</b>	<b>xxx</b>	<b>xxx</b>

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## **Technically Speaking:**

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### **Market Fundamentals:**

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**Yesterday's Trades: no new trades.**

**ADVICE: No News Advice**

#### **COMMENTS:**

The corn market has a job to do as it needs to set a floor in the daily, weekly and monthly categories. So far, we are on the right track for December corn. This week the G/E was lowered by 2% with IA down 4%. IL was up 3% along with increases in the ECB states as well. The bears will remind you how good the ratings are compared to a year ago. Dr. Cordonnier reduced his corn harvest acres by 910,000 acres, which seems reasonable but may not show up in next week's WASDE report. Another positive note is the Mexico did announce yesterday that they would not be going forward with a ban on GMO yellow corn imports. We will take every bit of decent news we can!

November Soybean are up strong this morning although we have been unable to trade higher than the highs made on Friday of \$11.25. It would be nice to push beyond that price rather than have a few failed attempts. Crop ratings were level in the G/E category with MN down 4% and IA down 2%. IL was up 5% with an increase again in the ECB states. Dr. Cordonnier lowered his harvested acres by 750,000 acres, which again makes sense. Those lost acres might have a bigger impact as it is on top of the USDA lowering planted acres in their report. The potential loss in harvested acres also comes in some high producing soybean areas. Although the USDA increased stocks last week there are very good bids out that suggesting the USDA could be too high or else the farmers is just holding on very tight.

The Oils are much higher as there is talks of large projects holding off their construction as due to unfriendly market conditions. There was also a decent drawdown in oil stocks that came out in the Crush numbers. Soybean inventories had a slight increase in stocks.

Markets might trade a little thin this week due to the holiday which can always make for a difficult trading environment. Next week's WASDE report is another opportunity to make some reductions to the SA numbers as harvest is likely far enough along for "proof" if that is indeed what the USDA is waiting for.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	7/2/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CU24	410	401	407	416 1/2	397 1/2		416 3/4
CZ24	423 1/4	414 3/4	420 1/2	429 1/2	411 1/2		428 1/4
SQ24	1147	1129 3/4	1146	1163 3/4	1128 1/4	1159	
SX24	1113	1097	1111	1127 1/2	1094 1/2	1115 1/4	
SMV24	332.3	326.2	329.1	335.7	322.5	342.4	
SMZ24	335.9	329.6	332.6	339.1	326.2	342.7	
BOZ24	45.87	43.75	45.75	48.37	43.13	43.84	
WU24	591 3/4	567 3/4	590 1/4	614 3/4	565 3/4	576 3/4	
KWU24	600 1/4	578	599 1/2	622 1/4	576 3/4		577 1/2
MWU24	633 1/4	609 1/2	632 1/4	656 1/2	608	617	
LCQ24	185.150	183.625	184.275	186.300	182.250	179.375	
LCV24	184.400	183.100	184.150	185.650	182.650	181.375	
LHQ24	91.175	87.850	88.175	91.700	84.650	89.225	
LHV24	76.600	73.975	74.100	76.925	71.275	75.700	
FCQ24	259.175	256.400	257.375	260.350	254.400	261.625	
CTZ24	73.55	72.19	73.100	74.51	71.69		74.34
CTH25	75.18	73.95	74.760	76.19	73.33		75.63
SBV24	20.41	20.06	20.230	20.63	19.83	19.58	
GCQ24	2348.8	2328.2	2342.10	2363.20	2321.00	2341.2	
NRX24	15.57	15.25	15.31	15.65	14.96		<b>15.350</b>
DJU24	39805	39385	39511	39951	39071		39368
CLQ24	83.64	81.38	83.38	85.84	80.92	78.26	
NGQ24	2.602	2.471	2.478	2.624	2.332	2.946	
DXU24	105.66	105.105	105.500	106.25	104.75		103.487
USU24	117 18/32	115 30/32	116 3/32	117 31/32	114 7/32		119 4/32

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