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Bullish post-report price action — *Corn futures rallied following USDA's July 11 crop reports, despite much bigger-than-expected increases to old- and new-crop ending stocks. Soybean futures also rallied after USDA cut projected new-crop ending stocks more than anticipated. Both markets have recouped the losses seen in the aftermath of the June 28 Acreage and Grain Stocks Reports. Focus has shifted from concerns with too-wet conditions this spring to a hot and mostly dry forecast. Wheat futures worked higher in the face of increased winter wheat harvest activity after USDA cut world production by 10 MMT. Strength in the respective cash markets supported cattle and hog futures. Cattle futures are still below the spot market, while August hogs hold a big premium to the cash index.*

Here comes the summer heat

Forecasters are in relative agreement above-normal temps will be seen across the Corn Belt during the next two weeks, with extreme heat possible. Rainfall forecasts are much more variable due to uncertainty over impacts from Tropical Storm Barry. Crops will thrive in areas that receive near-normal rains, but stress will occur in any areas that miss out on precip the next two weeks.

Corn crop raised, bean crop cut

World Board incorporated June acreage estimates from NASS for corn and soybeans. It kept its corn yield at 166 bu. per acre, which increased <u>projected</u> corn production by 195 million bu. from last month. World Board cut its soybean yield by 1 bu. to 48.5 bu. per acre, "based on a weather-adjusted trend model and the impact of delayed planting." The acreage and yield reductions lopped 305 million bu. off <u>projected</u> soybean production. The changes to the crop <u>projections</u> impacted ending stocks (see *<u>News</u> page 4*). NASS will start releasing survey-based crop <u>estimates</u> in August.

Acreage reporting deadline extended

The deadline to report spring-planted crops to FSA has been pushed back a week to July 22 for producers in Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Minnesota, North Dakota, Ohio, Tennessee and Wisconsin. Farmers not in these 12 states must meet the July 15 deadline.

Meeting on SREs <u>could</u> be this week

Biofuel proponents didn't convince EPA to change proposed blending levels for 2020 corn-based ethanol, but neither did opponents (see *<u>News</u> page 3*). The key battleground over biofuels policy remains small refinery exemptions (SREs).

Small refineries have reportedly asked EPA to withhold from USDA all nonpublic information in their SRE petitions, fearing it could be leaked to program opponents. But doing so would go against the transparency Andrew Wheeler has preached since becoming head of EPA. SREs will be a hot topic at a high-level meeting that may happen this week.

U.S./China issues unresolvable?

Some observers think so, but China watchers continue to say both President Donald Trump and Chinese leader Xi Jinping want an agreement. The U.S. announced a relaxation of the ban on doing business with China's Huawei Technologies and Trump has toned down his stance on Hong Kong in an attempt to advance talks. China wants the U.S. to lift existing tariffs, but the Trump trade team doesn't want to do so until Beijing lives up to any final trade agreements. If China's second-quarter GDP data on July 15 shows further weakening of its economy, it <u>could</u> increase pressure on Beijing to advance talks.

Trade war evident in China trade data

China's exports dropped 1.3% from year-earlier levels in June and its imports fell 7.3%, pushing the trade surplus to $51 billion. China's surplus with the U.S. surged to nearly $30 billion.

China June soybean imports plunge

China imported 6.51 million metric tons (MMT) of beans in June, a 25.2% plunge from last year. Through June, Chinese imports of 38.27 MMT of beans, are down 14.7% from last year.

Wasserman sizes up 2020 elections

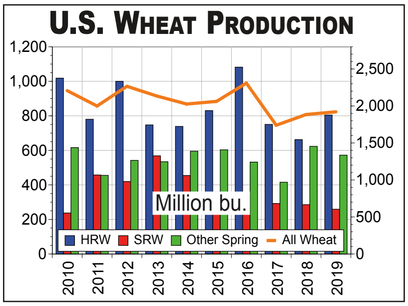
David Wasserman of *Cook Political Report* gave us his thoughts on the 2020 elections. Highlights:

- Odds are "50% to 55%" Trump will win re-election.
- His top-tier Democratic candidates for president are former Vice President Joe Biden and Senators Elizabeth Warren (D-Mass.) and Kamala Harris (Calif.). He says Michelle Obama would have a better chance than any of them to beat Trump, but she has a "distaste for the bloodsport of politics."
- Key states in the presidential election are Wisconsin, Michigan, Pennsylvania, Arizona, Florida and North Carolina.
- Democrats will keep control of the House. GOP will maintain control of the Senate. Neither chamber should flip.
- He says House Ag Chair Collin Peterson (D-Minn.) "is in trouble if Republicans field a competitive candidate."

See more highlights from Wasserman's comments in the July 12 "Policy Updates" on www.profarmer.com.

Slightly bigger U.S wheat crop

USDA increased its all-wheat crop estimate to 1.921 billion bu., up 18 million bu. from its June projection. USDA estimates the national average all-wheat yield at 50 bu. per acre, up from the June projection of 48.7 bu. per acre.



It raised its HRW wheat crop estimate about 10 million bu. from last month to nearly 805 million bushels. USDA's SRW wheat crop estimate was up just over 1 million bu. from June at 259 million bushels. It raised its white winter wheat crop 5 million bu. from last month to 227 million bushels.

In its first survey-based spring wheat crop estimate, USDA pegged the crop at 572 million bu., about 3 million bu. above trade expectations. USDA puts the national average spring wheat yield at 47.2 bu. per acre, down from last year's 48.3 bu. per acre. Durum wheat production at 58 million bu. was in line with trade expectations on a national average yield of 42.9 bu. per acre, up from last year's 39.3 bu. per acre.

Major changes to global wheat crops

USDA made major reductions to its global wheat crop estimates in most major producing countries. Compared to June, USDA cut production by 1.5 MMT for Australia, 1.2 MMT for Canada, 2.5 MMT for the European Union, 3.8 MMT for Russia and 1 MMT for Ukraine. That's a combined 10 MMT less wheat than what was expected to be produced in those five major competitors to U.S. wheat.

El Niño quickly coming to an end

The U.S. Climate Prediction Center expects a transition from El Niño to ENSO-neutral within a couple months, with neutral conditions likely thereafter. Meteorologists from Australia and Japan say the El Niño ship has already sailed and the period of ENSO-neutral has started.

World Weather, Inc. argues the latest data suggests a pseudo "Modoki" El Niño event, where the warmest ocean temperature anomalies are near the central Pacific Ocean instead of the eastern Pacific Ocean. Either way, it suggests El Niño is ending. That would have the greatest impacts in India, China, the Philippines, Australia and Southeast Asia, where rainfall patterns should return to more normal levels and reduce soil moisture deficits.

Corn, bean crops severely behind

Even more telling than poor crop condition ratings is the lack of development of the U.S. corn and bean crops compared with normal. There was still 2% of the corn crop yet to emerge as of July 7 and just 8% of the crop was silking versus 22% for the five-year average.

For soybeans, 90% of the crop had emerged, eight points behind the five-year average for the first week of July. Just 10% of the crop was blooming compared to 32% on average.

N. Illinois at least a month behind

Crop Consultant Dr. Michael Cordonnier traveled through DeKalb, Kane and Kendall counties in northern Illinois west of Chicago. He provides the following update:

"My first impression was how many fields that had not been planted this spring. They were everywhere. You couldn't drive a mile without seeing an empty field. In some places there were no crops planted on both sides of the road. We did not see any standing water, but we did see a lot of holes in the fields where there had previously been standing water. My second impression was how late the crops were in their development.

"The corn looked OK if it was June 1, but it was obvious that the corn was a month or more behind in its development. I thought the soybeans were even more delayed. They looked like it should be mid-May, not early July!"

Brazil hikes corn crop, export pegs

Brazil's official corn crop estimate climbed 1.5 MMT to a record 98.5 MMT, as safrinha production is expected to be bigger than forecast last month. Conab added all of the expected increase in production to exports, raising its 2018-19 forecast to 33.5 MMT. It now expects Brazilian corn exports to top last year by 9.7 MMT (40.8%).

Brazil's corn crop estimate is likely to get even bigger. Cordonnier estimates the crop at 100 MMT, while USDA forecasts it at 101 MMT.

China cuts corn usage amid ASF

China's ag ministry lowered its forecast for 2019-20 corn consumption by 2 MMT from last month to 280 MMT as African swine fever (ASF) is reducing feed demand. However, that would still be up 5 MMT from 2018-19 amid increased ethanol and starch output. China left its 2019-20 soybean import estimate at 84.9 MMT even though production is expected to rise 7.9% and feed use is declining. USDA still projects Chinese soybean imports at 87 MMT in 2019-20.

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Producer Crop Comments...

Please send your crop comments to editors@profarmer.com.

Champaign Co. (east-central) Illinois:
"I traveled from east-central Illinois to Fargo, North Dakota. Crops from Effingham to Champaign, Illinois, will make your heart sink. There's an area between Galesburg, Illinois, and the Quad Cities that was really wet. But I didn't see many acres that were prevent-plant. Summarizing the Iowa crop on the route from I-80 to I-380 and along Highway 20, the soybeans are the best I've seen, yet they're still too late. The corn is too variable to be good but not variable enough to be rotten. The South Dakota crop along I-29 stinks. There was mile after mile of ankle-high soybeans along I-29 in far southeastern North Dakota. Not much corn, but it isn't good either."

Montgomery Co. (southwest) Illinois:
"The soybean crop is in trouble. With the lateness and the terrible stands, our average yields here could be down 40% from the three-year average. The corn is looking better but definitely below average. Without almost perfect weather, a below-average crop could turn into something worse than 2012."

Lee Co. (southeast) Iowa:
"Starting to see a few tassels on April 17-planted corn in southeast Iowa. Northeast Missouri has quite a few fields throwing tassels. Also, some corn is less than six inches tall around the area."

Palo Alto Co. (northwest) Iowa:
"Rode my motorcycle all over eastern South Dakota. I would say only 40% to 45% is planted. It's a train wreck."

Floyd Co. (north-central) Iowa:
"Most corn fields are planted around here. The guys that planted first when the ground was not quite fit have the best looking crops. The ones who waited for the conditions to be more fit have the poorest stands as the heavy rains interrupted them. Lots of replanted areas in them, too. The early-June planted corn looks good, but an early September killing frost would be devastating."

Tippecanoe Co. (west-central) Indiana:
"Our county is one of the better looking ones in the area. Things rapidly get worse south and east, with maybe 10% unplanted, lots of corn that did not make it to knee-high by the 4th and beans the size of double crops. On the other hand, corn planted on higher ground during the short planting windows we had in late April and early May looks relatively good — relative to crops this year. If we get rain this summer and a warm, late fall, some of this corn will be decent. But with a dry summer or early frost, it will be ugly in many areas."

Gage Co. (southeast) Nebraska:
"Hard to believe, but now we are drying up. After all the rain and needing to mud crops in, we now have big cracks in soil and crops hurting for rain."

Rock Co. (southwest) Minnesota:
"Half the corn in our area looks pretty darn good — waist to shoulder high. All fields have some drowned-out spots and are short but should do well. The other half is very overrated."

Few changes in proposed RFS levels

The only adjustment EPA proposed to mandated blending levels for 2020 biofuel and 2021 biodiesel under the Renewable Fuel Standard (RFS) is for cellulosic ethanol, which was increased 120 million gallons. That resulted in a similar increase for advanced biofuel, as cellulosic ethanol is a component of advanced biofuel. No change is proposed for the conventional corn-based ethanol, which remains at 15.0 billion gallons. The total renewable fuel level is proposed at 20.04 billion gallons, up 120 million — a reflection of the increase for cellulosic ethanol.

For 2021, EPA is proposing a biodiesel level of 2.43 billion gallons, the same level as the final 2020 mark.

RFS levels	2019 final	2020 statutory volume	2020 proposed volume
Cellulosic (bil. gal.)	0.42	10.5	0.54
Biodiesel (bil. gal.)	2.1	Greater than 1.0	2.43 (2021 proposal)
Advanced biofuel (bil. gal.)	4.92	15.0	5.04
Conventional biofuel (bil. gal.)	15.0	15.0	15.0
Total renewable fuels (bil. gal.)	19.92	30.0	20.04

EPA also proposed percentage standards under the RFS that correspond to the four separate renewable fuel categories as follows: 0.29% for cellulosic biofuel, 1.99% for biodiesel, 2.75% for advanced biofuel and 10.92% for total renewable fuels. These percentages represent the ratio of renewable fuel volume to the national projected non-renewable gasoline and diesel volume, "less any gasoline and diesel production attributable to small refineries granted an exemption prior to the date that the standards are set," according to EPA.

EPA won't reallocate gallons lost to SREs

EPA again said it did not reallocate any biofuel levels due to small refiner exemptions (SREs). As it did for 2019, EPA stated in the current proposed rule that "at this time no exemptions have been approved for 2020, and therefore we have calculated the percentage standards for 2020 without any adjustment for exempted volumes. We are maintaining our approach that any exemptions for 2020 that are granted after the final rule is released will not be reflected in the percentage standards that apply to all gasoline and diesel produced or imported in 2020."

RFS reset will be a separate rule

EPA confirmed the RFS reset, which is still under review at the Office of Management and Budget, will be finalized on a separate track from the 2020 biofuel and 2021 biodiesel levels.

Big changes to new-crop corn and soybean carryovers

by Editor Brian Grete and Sr. Market Analyst Jeff Wilson

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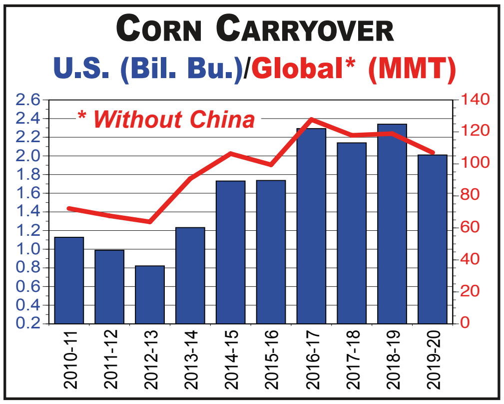

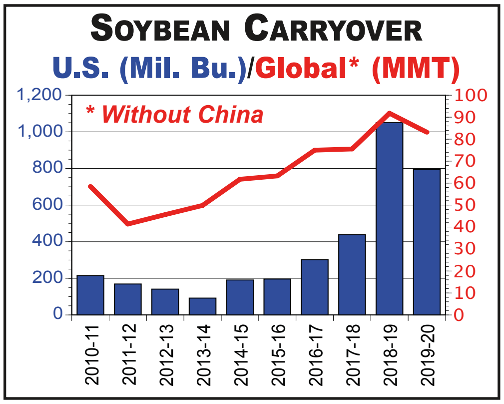

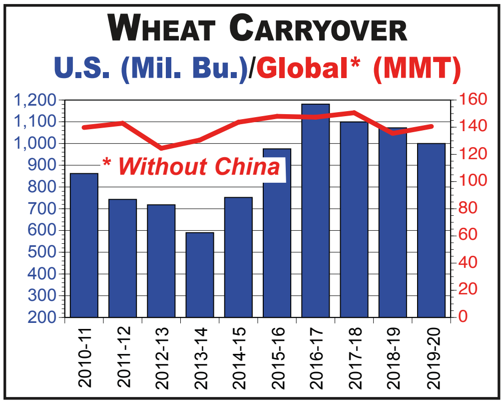

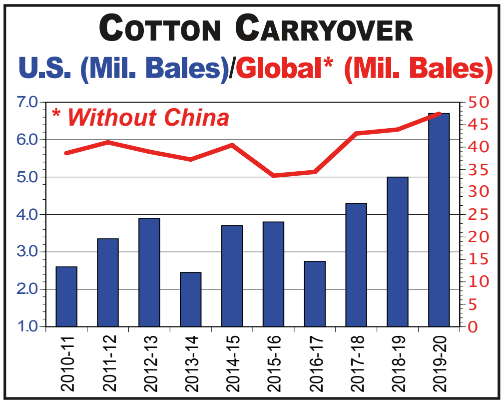

Corn — USDA raised its old-crop carryover estimate by 145 million bu. from last month to 2.34 billion bu. amid cuts to feed and residual use (25 million bu.), food, seed and industrial use (20 million bu.) and exports (100 million bu.).

USDA increased its new-crop corn ending stocks forecast by 335 million bu. from last month, pushing it back above 2 billion bushels. A bigger crop projection and higher beginning stocks increased total supplies by 340 million bushels. USDA increased total use by only 5 million bu. — a 25-million-bu. increase to feed and residual use and a 20-million-bu. cut to food, seed and industrial use.

- **USDA 2018-19 price: $3.60, unchanged from June; 2019-20: $3.70, down a dime.**

USDA raised global old-crop corn carryover without China by 3.4 million metric tons (MMT) to 118.9 MMT. It raised global 2019-20 ending stocks without China by 8.4 MMT to 107.1 MMT.

Soybeans — USDA put old-crop stocks at 1.05 billion bu., down 20 million bushels. USDA cut crush by 15 million bu., cut seed use by 5 million bu. and increased residual "use" by 41 million bu., suggesting the 2018 crop was overestimated.

USDA slashed new-crop bean carryover by 250 million bushels. A 305-million-bu. cut to production combined with the smaller beginning stocks reduced total supply by 325 million bushels. Projected exports were cut 75 million bushels.

- **USDA 2018-19 price: $8.50, unchanged from June; 2019-20: $8.40, up 15¢.**

Global old-crop bean carryover without China at 91.8 MMT was raised 200,000 metric tons from June. USDA cut its global new-crop soybean carryover projection by 8.1 MMT from last month to 83.2 MMT.

Wheat — USDA adjusted feed and residual use (up 41 million bu.), exports (down 14 million bu.) and imports (down 5 million bu.) to get old-crop ending stocks to the 1.072 billion bu. set by the June Grain Stocks Report.

USDA cut projected new-crop ending stocks by 72 million bu. from last month to 1.0 billion bushels. USDA's higher crop estimate was more than offset by smaller beginning stocks, which reduced total supply by 12 million bu. from last month. On usage side of the balance sheet, USDA raised exports 50 million bu. and feed use by 10 million bushels.

- **USDA 2018-19 price: $5.16, down 4¢ from June; 2019-20: $5.20, up a dime.**

Global old-crop wheat carryover without China at 135.5 MMT was down 1.1 MMT from last month. USDA slashed global new-crop wheat ending stocks without China by 7.6 MMT to 140.6 MMT.

Cotton — USDA raised old-crop carryover by 350,000 bales to 5 million bales amid cuts to exports (250,000 bales) and domestic use (100,000 bales.)

USDA increased its new-crop cotton carryover projection by 300,000 bales to 6.7 million bales. A 50,000-bale increase to unaccounted use only partially offset the bigger beginning stocks.

- **USDA 2018-19 price: 70¢, unchanged from June; 2019-20: 63¢, down a penny.**

USDA raised global old-crop cotton carryover without China by 700,000 bales to 43.9 million bales. It raised global new-crop ending stocks without China by 1.6 million bales to 47.4 million bales.

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CATTLE - Fundamental Analysis

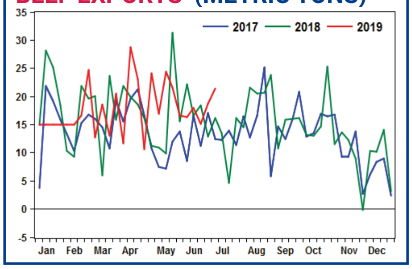
Cattle pushed higher, triggering new technical buy signals last week. Futures cut their discount to current cash bids on speculation the market has bottomed. Beef prices were weaker, but that improved demand. Packer margins are set to seasonally contract as cattle supplies tighten. Weekly beef export sales rose to the highest level since the week ended May 23, offsetting the slowdown in shipments. Still, total 2019 sales commitments are 1.8% ahead of a year ago despite business with top-buyer Japan trailing last year's pace. Firming cash feeder prices and weaker corn futures boosted feeder cattle futures.

Position Monitor

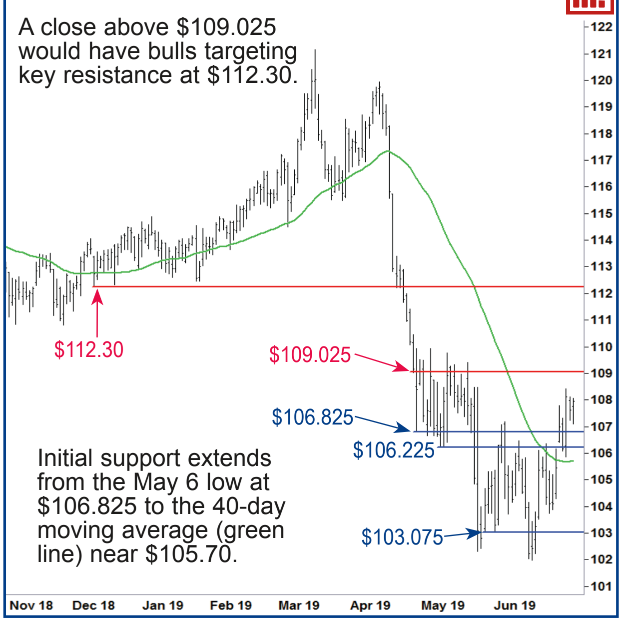
Game Plan: Fed cattle producers should wait for a rally to consider short hedges. Buyers of feeder cattle don't chase the market higher with futures much above cash bids.

	Feds	Feeders
III'19	0%	0%
IV'19	0%	0%
I'20	0%	0%
II'20	0%	0%

BEEF EXPORTS (METRIC TONS)



DAILY AUGUST LIVE CATTLE



HOGS - Fundamental Analysis

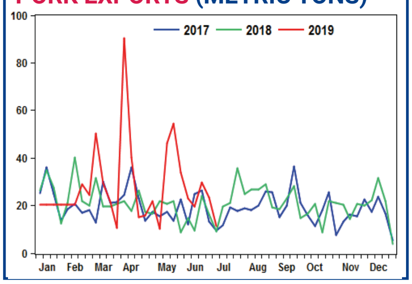
Futures rebounded on firming cash bids. The August contract rose to as much as a $10 premium to the expiring July futures, a strong signal traders are looking for much firmer cash bids heading into the fall. Aggressive marketings that pushed slaughter above projections the past six weeks have helped cut market weights — down 2.2 lbs. in the latest report. Fresh pork prices did not follow cash and futures higher last week, a trend that should change with pork attractively priced versus beef and chicken. The latest weekly pork sales were disappointing with no major new sales to China, but shipments of prior purchases remained active.

Position Monitor

Game Plan: Futures have started to rally. We will wait for additional strengthening to consider hedges. The recent weakness may lead to a late-summer rally.

	Lean Hogs
III'19	0%
IV'19	0%
I'20	0%
II'20	0%

PORK EXPORTS (METRIC TONS)



DAILY AUGUST LEAN HOGS

FEED

Feed Monitor

Corn	
III'19	67%
IV'19	0%
I'20	0%
II'20	0%

Corn Game Plan: Stay hand-to-mouth on cash corn needs unless there is a break below $4.10 in September futures. You should have remaining needs through August hedged in long December corn futures at $4.58.

Meal	
III'19	33%
IV'19	0%
I'20	0%
II'20	0%

Meal Game Plan: You should have all meal needs covered through July in the cash market. We are targeting a drop to the $305 level in August soymeal futures to extend coverage.

DAILY AUGUST MEAL

Position Monitor

	'18 crop	'19 crop
Cash-only:	80%	30%
Hedgers (cash sales):	80%	30%
Futures/Options	0%	0%

Game Plan: Use rallies to get current on both old-crop and new-crop cash sales advice. Volatility is high and should remain so, with trade driven by each new weather forecast. We plan to be patient on additional old- and new-crop sales, waiting for more clues to U.S. acreage and weather for pollination and crop potential. Weather markets can change very quickly, so make sure you get sales completed on rallies.

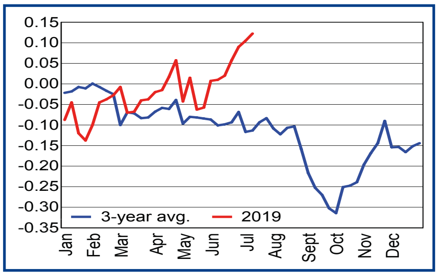
DAILY DECEMBER CORN

DAILY MARCH CORN

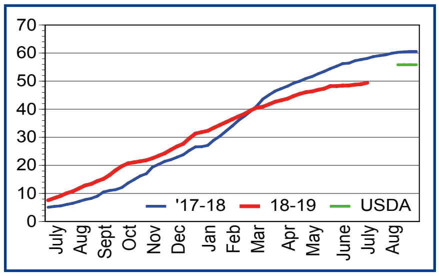
CORN - Fundamental Analysis

It did not take long for traders to move past the USDA data last week and refocus on the hotter, drier forecasts heading into late July pollination. The agency forecast higher production and carryover than expected and cut its demand forecasts (*see* News *page 4*). It may take months before the supply can be accurately measured with pollination just ahead and USDA resurveying 14 states to update its August crop acreage estimates. Cash market strength underscores growing commercial concerns about crop size. Exports are struggling with increased competition from cheaper global supplies. Shrinking supplies versus slowing demand means choppy trade with each new weather forecast.

AVERAGE CORN BASIS (SEPTEMBER)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

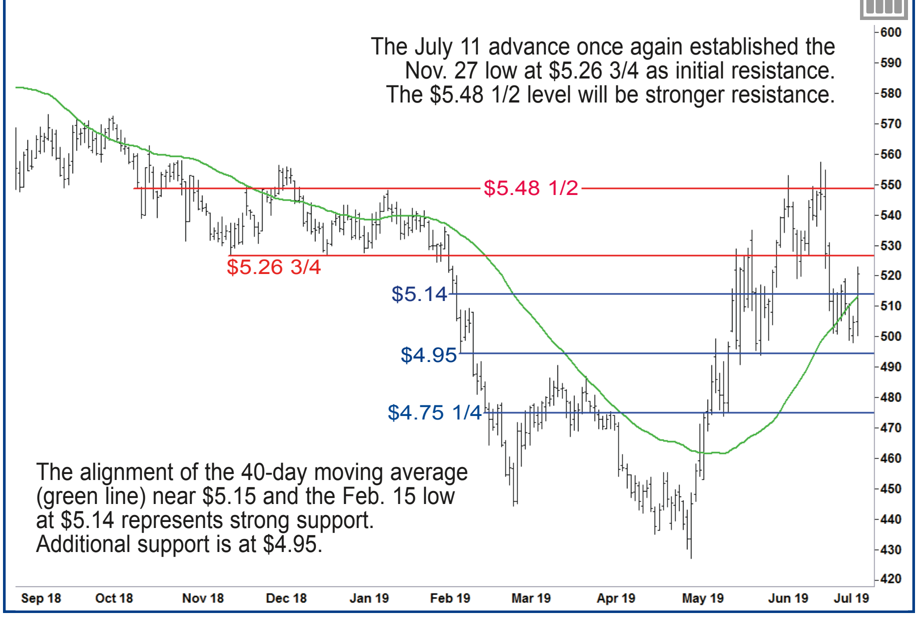
	'19 crop	'20 crop
Cash-only:	25%	0%
Hedgers (cash sales):	25%	0%
Futures/Options	0%	0%

Game Plan: You should have a standing order to sell 10% of 2019-crop in the cash market if September SRW futures hit $5.60. Finish old-crop sales if you haven't already done so. World prices will lead rallies amid new-crop concerns.

WHEAT - Fundamental Analysis

SRW - Prices jumped after USDA raised its U.S. wheat export forecast and cut major exporter production by a larger amount. The good news was the rally was independent of the corn market. But wheat feeding is on the rise globally after corn's spring surge, and weather is still threatening.

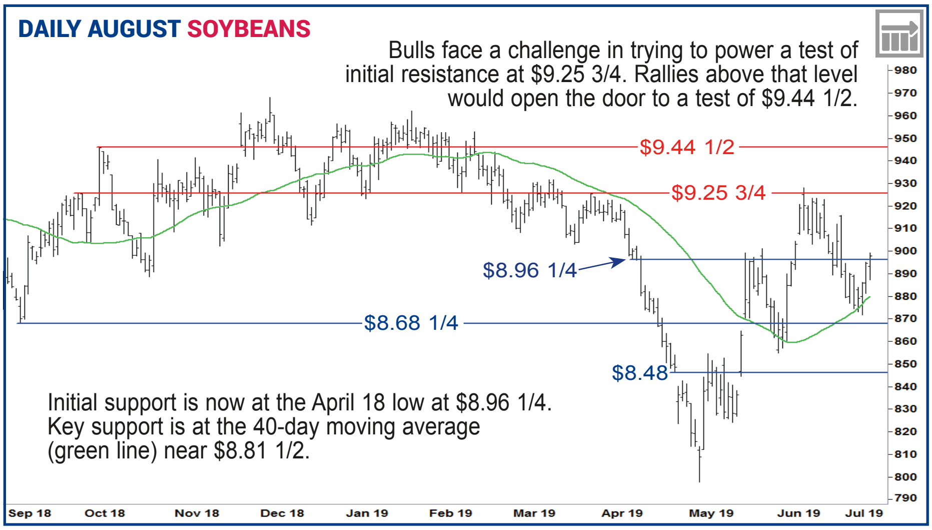
DAILY SEPTEMBER SRW WHEAT

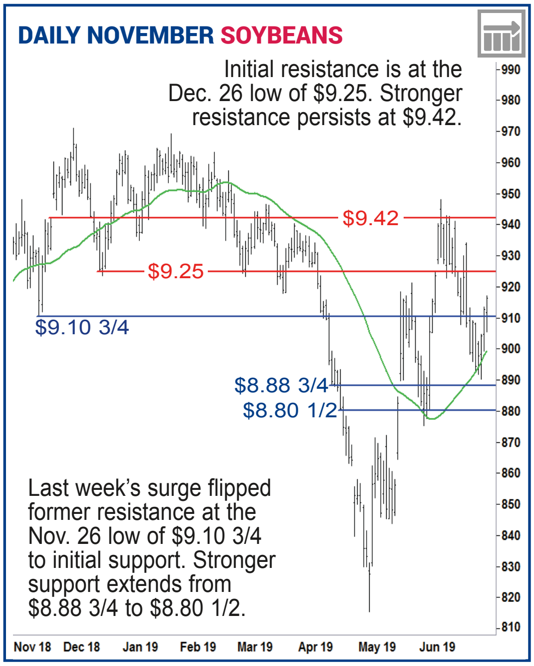


Position Monitor

	'18 crop	'19 crop
Cash-only:	75%	30%
Hedgers (cash sales):	75%	40%
Futures/Options	0%	0%

Game Plan: Use rallies to get current with both old- and new-crop sales advice. We want to take advantage of supply-driven rallies during the next several months to increase cash sales for both 2018- and expected 2019-crop soybean supplies. You should have a standing order to sell 15% of 2018-crop in the cash market if August futures hit $9.30. We may also advise new-crop sales if this order is triggered.

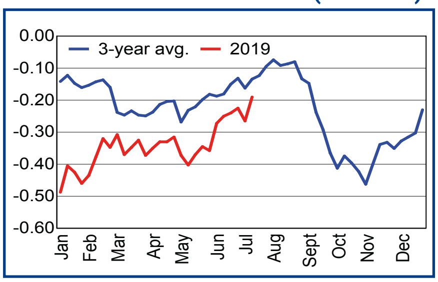




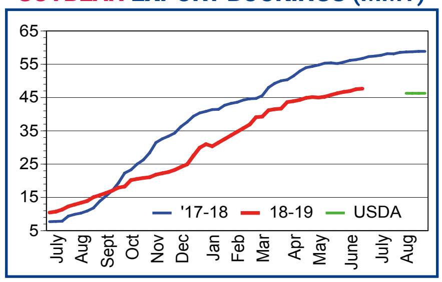
SOYBEANS - Fundamental Analysis

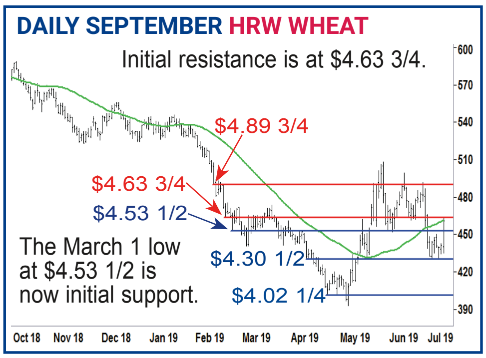
Prices rebounded from a one-month low on declining U.S. crop ratings and new threats from warmer, drier weather into late July. USDA cut its crop production and carryover forecasts as expected July 11, confirming the smaller supply story (*see News page 4*). Further yield threats will be needed for prices to run to new highs as stocks as a percent of use are still the second highest in 12 years. China for the first half of 2019 imported 15% less soybeans from all origins, mostly from reduced U.S. shipments. The bigger concern is how long it will take for China's hog feed demand to recover from the African swine fever outbreak. This could slow imports well into 2020.

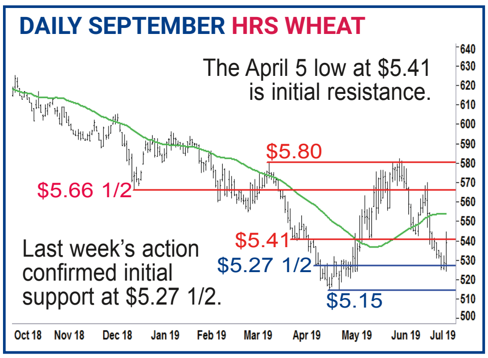
AVERAGE SOYBEAN BASIS (AUGUST)



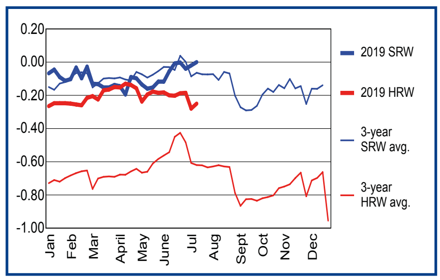
SOYBEAN EXPORT BOOKINGS (MMT)



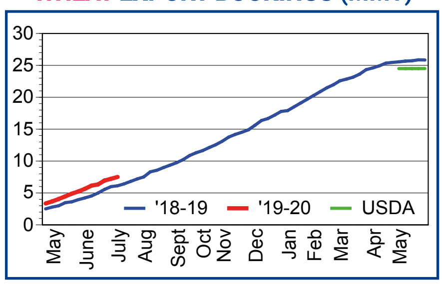




AVERAGE WHEAT BASIS (SEPT.)



WHEAT EXPORT BOOKINGS (MMT)



HRW - USDA cut world inventories about 8 million metric tons (MMT) from its prior estimate. While that is still up about 11 MMT from 2018-19, almost 60% of the total is isolated from the market in India and China. Major exporter supplies are tightening. U.S. yields may be revised higher and keep a lid on rallies.

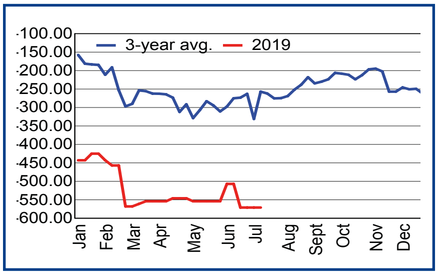
HRS - While total U.S. export sales are running about 22% above a year ago, spring wheat sales are down about 4.4%. Traders will be watching for improvement before taking prices higher. Russia will continue to be an aggressive seller, despite the smaller crop forecast.

Position Monitor

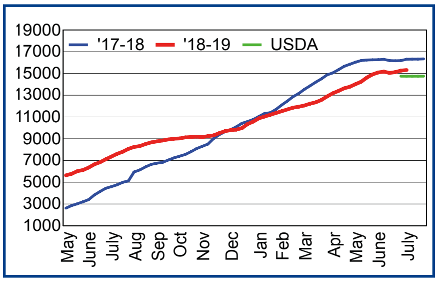
	'18 crop	'19 crop
Cash-only:	100%	35%
Hedgers (cash sales):	100%	35%
Futures/Options	0%	0%

Game Plan: On July 10, we advised completing the final 15% of 2018-crop cash sales. We will wait on an extended recovery to increase new-crop sales.

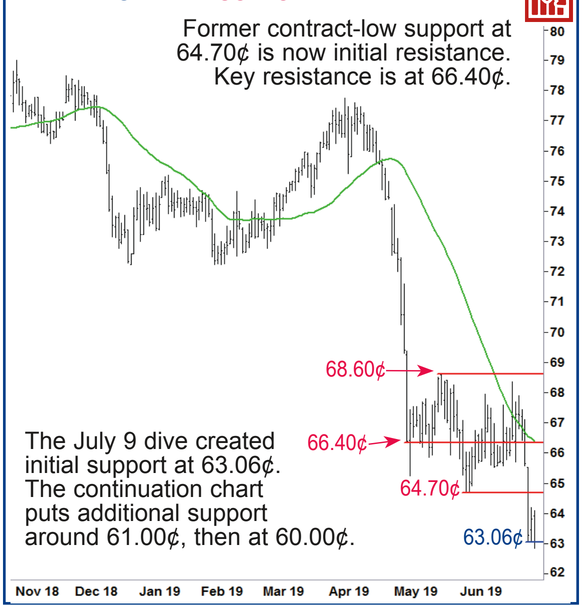
AVERAGE COTTON BASIS (OCTOBER)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON



COTTON - Fundamental Analysis

The market tumbled after President Donald Trump took aim at India's tariffs, threatening U.S. trade retaliation. India has become a major importer of U.S. cotton after its own crop losses. The market was already struggling from slower global demand and Chinese trade friction.

GENERAL OUTLOOK

STOCKS: The S&P 500 crossed the 3,000 mark for the first time last week as Federal Reserve Chairman Jerome Powell hinted at lowering U.S. interest rates.

Traders are now betting the Fed will deliver an "insurance" rate cut at the July 30-31 meeting to give some cushion to the longest economic expansion ever. However, the outlook for equities is clouded by unrealistic corporate profit forecasts and extreme expectations for even lower global rates, leaving little else to boost already lofty valuations.

Right now, global bonds return about 100 basis points on average, while world stocks are averaging about 500 basis points, favoring stocks. When something looks like a "no brainer" investment that's usually the time to be very careful. The chart shows three drives to new highs in the past 18 months. A retest of the broken uptrend may lead to a price retreat into year end.

WEEKLY S&P 500 STOCK INDEX

FROM THE BULLPEN

By Sr. Market Analyst Jeff Wilson

Corn and soybean futures deliveries and prices are based on U.S. export terminals. With the American export program constrained by vastly cheaper world supplies and Chinese tariffs, that means country basis is key to price direction.

Strong Midwest cash basis and narrowing futures spreads have the chore of rationing versus the sideways trend in futures. Historically, futures prices lead market moves to the upside, but this is not the case this summer in a world that is actively competing for export shares.

The September-March corn carry is just 28% of full carry and the soybean carryover is about 65% of full carry, both signs of rising concerns about supplies.

Cash corn and soybean basis continue to gain, with the Decatur, Illinois, corn bid 28¢ over futures, up 14¢ since mid-June and 43¢ above the three-year average. Soybeans are bid 5¢ under futures, up 13¢ in the past three weeks and 4¢ below the three-year average. Corn basis is stronger where crops are most challenged in the eastern Corn Belt, but western bids are catching up. Soybean basis in the western Midwest is weaker than the three-year average, but it is starting to firm.

The strong cash basis reflects the limited amount of farm sales with the cash market trying to pry more old-crop supplies from farmers. Both crops will need an extended growing season to ward off yield and quality drags.

WATCH LIST

1. **NOPA Crush Report** — Processing slows with exports. — **MON 7/15** 11:00 a.m. CT
2. **USDA Crop Progress Report** — Corn conditions struggle with heat. — **MON 7/15** 3:00 p.m. CT
3. **USDA Export Sales Report** — Grain sales slow with competition. — **THU 7/18** 7:30 a.m. CT
4. **USDA Cattle on Feed Report** — Supplies remain above 2018. — **FRI 7/19** 2:00 p.m. CT
5. **July 1 Cattle Inventory Report** — Calf crop is expected to rise. — **FRI 7/19** 2:00 p.m. CT

DAILY ADVICE MONITOR

Updated daily on www.profarmer.com, the Daily Advice Monitor lets you know when new advice for individual markets is issued.