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## **Morning Ag Markets**

Pete Loewen

Grain and oilseed trade continues to flop around actively these days with each new model run in the forecasts, which sometimes means more than once per session. The fall crop markets of corn and beans finished higher, but wheat closed under mild pressure. Weather markets are only as good as the next forecast, so trying to outguess market direction on any given day is a very much an exercise in futility.

The fact wheat futures continue to struggle has become a little stressful. There were a lot of longs added on the run up and this break is crippling some of those weak longs, adding some pressure. I'm still friendly to the Minneapolis futures, not so much KC and Chicago. At the same time though, if HRS wheat futures take off on a surge to the upside, KC and Chicago likely aren't going to sit back and become spectators. They'll get pulled up in spillover.

Weekly export sales data was a lot better than the expectations and at first glance are bullish everything except milo. Those milo sales were 2.2 mln bushels, bringing mktg ytd commitments up to 182 mln bushels versus 311 mln at the same time last year. Corn sales were 18.4 mln, beans were 15.1 mln and wheat was a hefty 24.6 mln bushels. I'm a little reluctant to get to overly bullish on wheat exports, but the week of the peak in futures the sales were better than my expectations and with the big recent drop in futures they have picked up a lot of steam now, pushing up well over 20 mln in this report. Mktg ytd commitments for wheat for a marketing year that started June 1 now stand at 346 mln bushels, 6 mln better than last year at the same time.

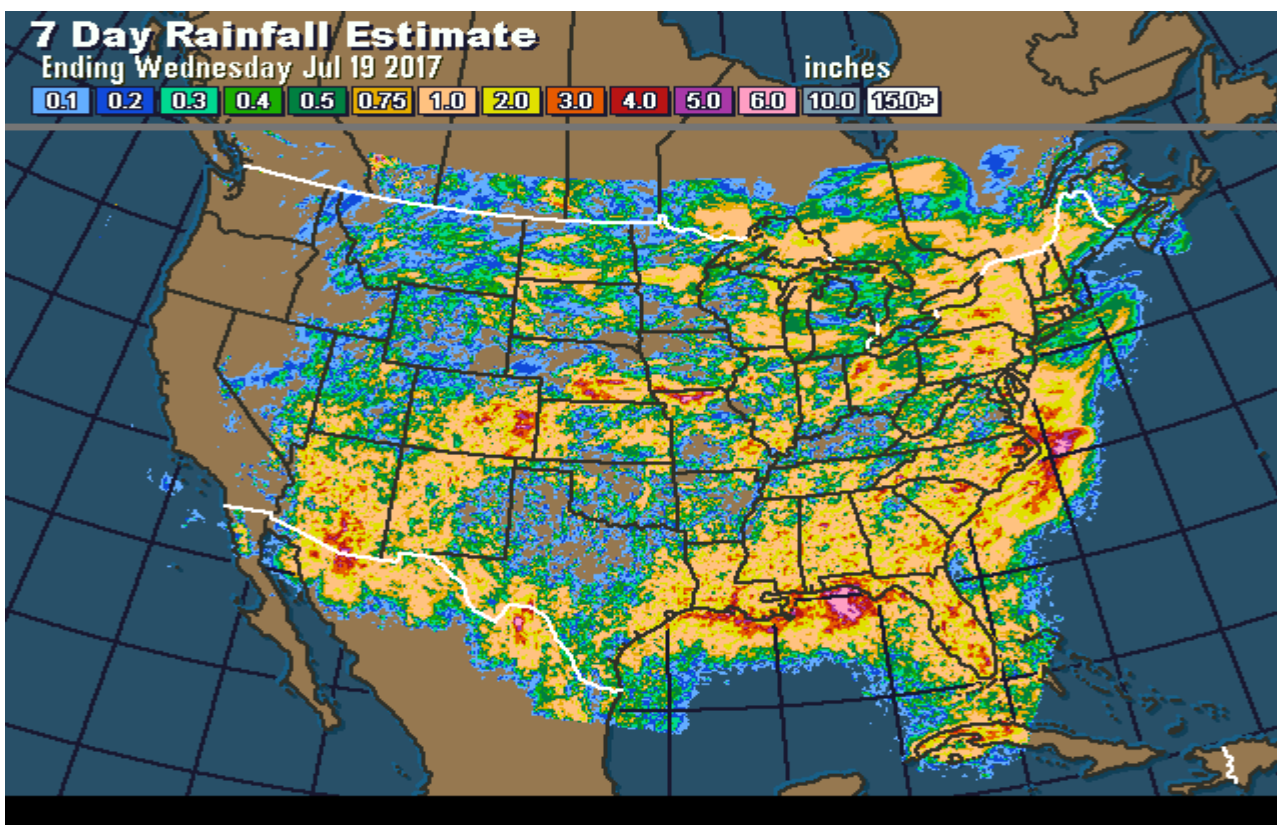
6-10's last night looked really threatening still from a temperature standpoint. The vast majority of the Corn Belt and the entire Plains were sitting at above to much above normal temps. Precip was below normal from the southern half of South Dakota all the way down through Texas. Iowa, Missouri, the far southern tier counties in Minnesota and the northern half of Illinois was below normal on precip as well and everything around those areas was

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normal to above south and normal north. I'd view all that as friendly, but then again we'll get new model runs later this morning already which could change that view as well.

On a final note this morning, Argentina's Ag Ministry pegged corn production at 49 mmt's this year. Their recent estimate was 47.5 and USDA has them pegged at 41 mmt's in the last WASD report. Here's a couple of things to ponder regarding those numbers; 1) their corn production could be as high as 49 mmt's versus only 29 mmt's last year, and, 2) their beans were at 57.8 mmt's versus 56.8 a year ago and estimates back in January and February as low as 50 mmt's. There was a lot of permabull type folks that tried to make us believe that a huge chunk of Argentina crops were lost due to flooding just after the first of the year. It's probably ok to now mark those analysts off the list of people you read or listen to after this year's big production... Sensationalism might sell subscriptions, but it doesn't keep customers for very long. Weather folks need to heed that advice as well!



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