Morning Commentary
July 1, 2025

CORN: LOWER

Stocks and Acres report came and went yesterday without much excitement as they were mostly what the trade was expecting. Stocks were a touch above the ATG, and while they're down from last year they're still the third largest stocks we've seen in June since 2020. Acres were down from estimates and March with 95.203 mln acres and it's still the largest planted acreage we've seen in 12 years. Neither of these really paint a bullish picture, and then when we see USDA bump the corn condition up to 73% G/E yesterday afternoon (which is tied with the 4th best rating we've seen this week in the past 13 years) you can see why CZ25 put in fresh contract lows in the overnight. Export inspections, while trailing off some w/w, continue to trend well above pace to meet estimates, as well as last year and the 5-year average with 53.9 mil bu shipped.

At the break, CU25 was 6 ¾ lower.

SOYBEANS: LOWER

The stocks and acreage reports were rearview mirror fodder almost before they were visible. Nothing much to see. The crop condition report was similar as this crop continues on a good path and is in very good condition. The only worry of any nature is how Illinois is doing. As the biggest producer we don't want to see further regression in that crop like we saw this week. Two demand worries though are still present, as the supply of SA beans appears bigger than expected and the Chinese demand is not living up to expectations. Both were on display with a few cargos of beans being booked out of Argentina yesterday for shipment in Sept. (2), Nov. (1) and Dec. (1). Also, of concern for meal demand, if US crush is to continue to work to new record levels, is the price of meal out of Argy, something to watch as fall approaches. We will get one more report from USDA today, their crush numbers for May. Expected to be record level. Then next Friday July 11th it will already be time for the July S/Ds which might be interesting for a change. Bean and meal deliveries are 503 and 642 respectively. A final note, options in beans had excellent volume and added over 22K of OI with over 15K of that in puts. Current sentiment is lower as is the board. Beans: V-316,466/OI-830,843(+11,305); Meal: V-164,654/OI-634,903(+2,150); Oil: V-143,699/OI-595,657(+4,315)

At the break, SQ25 was 10 ¼ lower.

4th of July Trading Schedule:

Thursday, July 3rd: Normal close/no overnight
Friday, July 4th: No day/night session
Sunday, July 6th: Normal PM open

WHEAT: HIGHER

Quarterly stocks and acreage numbers pulled wheat off gains, with losses of 2-7 cents across the contracts. Overnight trade chopped around but found support around 6 a.m., even though it didn't hold and spread trading effects flat price. June 1 stocks were reported at 851 MB vs. ATG at 836 MB and 696 MB LY. All wheat acres rose to 45.478 million (+128k vs. March), with winter wheat rising to 33.325 million acres. Export inspections rebounded with 16 MB reported, with Indonesia and Philippines from the PNW and Gulf shipments to Dominican Republic and Nigeria. HRW shipments made up 7.8 MB of the total shipments. Winter wheat harvest advanced to 37% last week, with good progress in KS and OK, but that could be a little adjustment for the progress through last Monday before rains moved through. Spring wheat conditions declined by 1%, as MT dropped to 2% g/e and SD improved. Look for Chicago wheat to lead gains, with KC a penny higher but spring wheat is lower.

At the break, KWU25 was 1 ½ higher.

CATTLE: LOWER

After stopping imports of Mexican cattle on May 11th, the USDA announced a plan for a re-open of imports to begin next week. One port gets re-opened next week, followed by four additional ports over the next three months, with restrictions on which Mexican states where those cattle originated and other screwworm treatment protocols. That all makes it look like this will be a SLOW re-open, but does permit some cattle to begin flowing north and likely gets read as somewhat bearish by feeder cattle futures this morning. Yesterday's futures action was two-sided but with a green finish. The choice cutout did print just a touch lower, but all series have packer margins as significantly improved vs that of 2-3-4 weeks ago and should encourage some quicker slaughter rates and beef production post the holiday this weekend.

Fund Position	Accumulative	Yesterday
Corn	-170,396	3,000
Soybeans	40,396	4,000
Soybean Meal	-113,236	-3,000
Soybean Oil	51,775	2,000
Chicago Wheat	-73,868	-3,000
KC Wheat	-48,412	-1,500

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