

News this week...

2 – Fertilizer flows begin trickling through Strait of Hormuz.

3 – May crush hits yet another record.

4 – Grain Stocks data shows corn demand still running hot.

Back to the weather – Short covering by funds lifted grain markets in a holiday-shortened week that started on a down note, with corn setting another contract low ahead of Tuesday's USDA acreage and grain stocks data. The reports offered no bearish surprises, allowing grain futures to rebound. The period around July 4 has often seen the current market trend either accelerate or reverse. High temperatures over the central Midwest are expected to ease, while a brutal heatwave raises concerns over crops in Western Europe. Cattle futures saw long liquidation alongside a drop in boxed beef prices and a tighter squeeze on packer margins. Lean-hog futures saw short covering amid directionless cash trade. We wish Pro Farmer members a glorious and festive Fourth of July as America celebrates its 250th birthday!

U.S. refuses to renew USMCA

The Trump administration opted to not renew a trade agreement with Mexico and Canada, kicking off a decade-long review process that will require yearly talks.

"The United States did not agree to renew the USMCA in its current form," said U.S. Trade Representative Jamieson Greer on Wednesday, the deadline for implementing a 16-year extension favored by Canada and Mexico.

The stakes are particularly high for corn growers, given the role both trade partners play in demand.

"USMCA is the single most important trade agreement to the corn industry, with Mexico serving as the largest purchaser of corn and Canada serving as our largest ethanol market," said Jed Bower, president of the National Corn Growers Association, in a statement. "Additionally, the dispute settlement mechanism in the agreement has been critical for corn growers challenging harmful policies impacting biotechnology access."

Bayer seeks duties on glyphosate

Fresh off a Supreme Court victory that blocked thousands of lawsuits over alleged cancer risks tied to glyphosate, Bayer this week urged the U.S. government to impose duties on imports of the chemical from China and to open an anti-dumping probe. The move angered farm groups who noted Bayer's Monsanto is the sole producer of glyphosate.

June jobs data disappoints

U.S. nonfarm payrolls rose by 57,000 in June, the government said Thursday, coming in below the average pre-report estimate of 115,000 seen in a Wall Street Journal survey of economists. The unemployment rate, which was expected to hold steady, dipped to 4.2% from 4.3%, but appeared to reflect a sharp drop in labor force participation. After revisions, payroll gains in April and May were 74,000 lower than previously reported. The data disappointed but still pointed to a solid labor market, while also serving to ease market expectations for a rate hike by the Federal Reserve.

\$500 million for fertilizer fast track

USDA Secretary Brooke Rollins said Wednesday that her department will invest \$500 million in new and existing U.S. fertilizer facilities to speed increased production in America.

"We want fertilizer plants built in America and we are willing to prioritize it," she said. "By opening up the market, obviously those prices will come down for our farmers."

Bloomberg noted that two of the three main fertilizer types – phosphate and potash – are mined, with the U.S. holding limited reserves. The U.S. imports almost all of its potash, largely from Canada.

Earlier this week, the Trump administration temporarily suspended duties on phosphate fertilizer imports from Morocco. The move follows years of lobbying by agricultural organizations seeking relief from countervailing duties first imposed in 2021.

Fed chief: Inflation risks lessen

Federal Reserve chairman Kevin Warsh said Wednesday that inflation risks have come down over the past month, but wouldn't say whether he expected a surge in price pressures from the Iran War to prove temporary.

In a panel discussion at a central-banking forum in Sintra, Portugal, Warsh said: "I am not going to make a judgment now," noting that the Fed meets again in four weeks.

Warsh has made it clear he believes the Fed should communicate less in terms of its future policy moves, edging away from a policy known as "forward guidance."

Farm loan growth remains strong

Farm loan growth remained strong in the first quarter of 2026, but with a noteworthy shift, wrote Ty Kreitman, an associate economist at the Federal Reserve Bank of Kansas City, in a report published Wednesday. Outstanding farm debt continues to expand steadily at specialized agricultural banks, he noted, but non-real estate production loans fell at a small number of non-ag banks with agricultural portfolios of more than \$1 billion.

Crop conditions tick lower

USDA's weekly crop progress reports showed U.S. corn and soybean conditions took a minor but unexpected downturn in the prior week. The agency said 67% of the corn crop was rated good or excellent as of Sunday, down 1 point from the previous week. The report showed 65% of soybeans rated good to excellent, down from 66% the previous week. Despite the decline, the Pro Farmer Crop Condition Index (on a 0-to-500 scale, with 500 equaling perfect) for corn showed a 0.70 point net improvement from the prior week to 372.77. The soybean CCI declined 0.92 point to 366.80, dragged down by declines for Illinois and Indiana.

The report showed 48% of the U.S. winter wheat crop had been harvested as of Sunday, up from 40% the previous week but slowed by rainfall. Winter wheat conditions were steady, with 26% of the crop rated good to excellent. Our Crop Condition Index showed HRW declined 3.18 points to 235.37, while SRW increased 1.67 points to 369.02. USDA said 59% of the spring wheat crop was rated good to excellent, up from 54% the previous week.

Cordonnier leaves U.S. pegs steady

Pro Farmer crop consultant Michael Cordonnier left his 2026 U.S. corn and soybean yield forecasts unchanged in this week's report. The U.S. corn yield was left unchanged this week at 182.0 bushels per acre, with a neutral bias.

"The weather last week was cool and wet but the forecast for this week looks much different. Hot and dry conditions are moving into the Corn Belt, which need to be monitored closely," he said. "The extent of the hot weather will be particularly important in northwest Iowa, Minnesota, South Dakota and parts of Nebraska and North Dakota."

Cordonnier's U.S. soybean yield was left unchanged this week at 52.5 bushels per acre, also with a neutral bias.

Trump cuts phosphate duties

President Trump signed a proclamation temporarily suspending countervailing duties on Moroccan phosphate imports for eight months, "providing immediate relief to American farmers while advancing the administration's broader strategy to strengthen America's fertilizer supply chain," said a USDA press release. While the move will lower costs for 2027, the move is too late to have much of an impact on input costs this year. Current USDA analysis indicates American farmers could save approximately \$1.82 billion annually through lower phosphate fertilizer costs as additional supplies enter the U.S. market.

Fertilizer flows begin through Strait

Fertilizer shipments have begun to flow through the Strait of Hormuz following an interim deal to end the Iran War, says a Reuters report. Around 640,000 MT of sulfur and 427,000 MT of urea have shipped through the Strait, a part of backed-up flows stuck before the war began. Shipments of phosphates and ammonia have edged up as well. While some shipments are leaving the Strait, no empty ships have begun flowing back in to collect new cargoes. The report notes it will likely be August before there is a big increase in fresh shipments, marking it as a tight schedule to get supplies where needed in the southern hemisphere.

Eurozone inflation slowing quickly

Eurozone consumer price inflation slowed to 2.8% in June 2026, year-on-year, down from 3.2% in May and below market expectations of a 3.0% annual rise, according to preliminary data. This marks the lowest rate since February, before the Iran War disrupted energy supplies and pushed oil prices higher, though it remains above the European Central Bank's 2.0% annual target. Energy inflation eased significantly to 8.7% from 10.8%, while price growth also slowed for services (3.2% versus 3.5%) and food, alcohol and tobacco (1.6% versus 1.9%). Non-energy industrial goods inflation held steady at 0.9%. The annual core rate, excluding energy and food, fell to 2.4% from 2.6% in May.

China lifts energy export restrictions

China has lifted some restrictions on oil-product exports, rolling back measures introduced to safeguard domestic supplies. Beijing has informed certain state refiners that they're now allowed to export fuels such as gasoline and diesel to a wider range of countries, Bloomberg reported. The new policy will affect shipments loaded from July onward, with overall volumes remaining within quotas set by the government.

Indonesia biofuel facing headwinds

Indonesia started its B50 fuel mandate, blending 50% palm-based diesel with 50% conventional diesel, mid-week, but relatively cheaper oil and rising palm oil threaten that goal, says a Reuters report. Indonesia sought to reduce its energy dependency on oil imports following the Iran War, but recent price swings are making that mandate more challenging.

"The durability of the policy will depend on whether the biodiesel-diesel price gap remains narrow enough to keep subsidy costs manageable even after the conflict-driven boost to oil prices fades," said Aryan Mithiborwala, biofuels analyst at Rystad Energy.

Indonesia has led the charge on increasing biofuel dependency, marking it as one of the world's litmus tests.

 **Follow us on X (formerly Twitter):**
[@ProFarmer](#) [@wiwatts](#) [@iwatchcorn](#)
[@HillariMason](#) [@ChipFlory](#)

Expected record farm safety net

USDA estimated direct payments to farmers would hit \$44 billion in 2026, about a quarter of expected farm income. That was before President Trump asked Congress to approve \$11 billion in additional payments to producers to help offset higher costs and lower crop prices stemming from the effects of the war in Iran. If approved, the Wall Street Journal reports direct payments would reach record levels. Trade groups representing farmers have pushed for more aid, saying it is vital to keep American agriculture afloat.

NWS a risk to the bottom line

A significant majority of agricultural economists expect New World screwworm (NWS) to impact the bottom line for cattle producers if it spreads beyond its current footprint. Farm Journal's latest Ag Economists' Monthly Monitor found 75% of respondents anticipate at least a moderate (50%) or significant (19%) to severe (6%) economic impact if there's a meaningful increase in cases. However, none of the respondents currently view it as a "catastrophic" threat (0%), suggesting they believe the risk is manageable if contained. This points to the fact producers should remain vigilant but focused on containment rather than panic.

U.S., Mexico open new fly plant

The U.S. and Mexico inaugurated a sterile fly plant in Chiapas. The plant will eventually produce up to 100 million sterile flies a week, Reuters reports. Mexican President Claudia Sheinbaum and U.S. Agriculture Secretary Brooke Rollins attended the opening of the facility in Metapa de Dominguez, near the Guatemala border. The plant, a joint U.S.-Mexico project, cost over \$50 million. The facility in Metapa is expected to produce up to 100 million sterile flies a week, and combined with an existing facility in Panama, comes closer to the 500 million a week figure that helped eradicate the pest from North America decades ago. The U.S. has pledged an additional \$84 million to stop the screwworm's spread, warning that a major outbreak could cost the U.S. agriculture sector more than \$700 million each year.

Russian crop prospects increase

Argus raised its Russian wheat production estimate 0.7 MMT to 91.2 MMT after a virtual crop tour found better-than-expected winter wheat yields. An increase in yield is expected to offset a drop in spring wheat acres, which is down to the lowest mark since 2019-20. Heavy rain and hot weather in July take the top end off yields, but a big harvest could weigh on Russian prices at the start of the export season.

While world wheat production is at risk, which could be an opportunity for the U.S. on the world market, Russia continues to provide stiff competition for supplies.

USDA planning aid to small packers

In a move to shore up a thinning middle market for American cattle, USDA Secretary Brooke Rollins on Tuesday announced the Strengthening Processing for U.S. Ranchers (SPUR) program. The initiative will deploy up to \$500 million in payments to eligible beef processing plants, aiming to protect the independent infrastructure ranchers rely on as the national cattle herd continues to hover at historic lows.

"America's ranchers deserve a competitive marketplace that rewards their hard work," Rollins said, noting tight cattle supplies, foreign ownership of major packers and the reemergence of the New World screwworm have created a "perfect storm" of market pressure.

The program specifically targets independent and regional plants. By providing financial stability to these mid-sized entities, the USDA hopes to ensure that as the herd eventually enters a rebuilding phase, the processing capacity is still there to handle the volume.

Yen posing a risk to markets

The Japanese yen mid-week traded at its weakest to the U.S. dollar in 40 years. That comes despite record intervention efforts by the Bank of Japan earlier this year. Recent weakness stems from the Iran War and the spike in crude prices, which underlined the country's dependence on energy imports. Traders are now on edge for another round of intervention, but investors – and ag market participants – should keep an eye on yen moves and their implications for U.S. Treasuries.

A surge in the yen could threaten the "carry trade," in which traders borrow in cheap yen to buy higher-yielding assets, such as U.S. Treasuries and equities, elsewhere.

May crush, ethanol use hit records

USDA's monthly Oilseed Crushings report indicated May soy crushings hit 213.1 million bushels, a record for the month, marking 15 consecutive months of record crush use. Soybean stocks totaled 2.315 billion bushels, the lowest mark in six-months. Meal use slid in May, sliding from impressive use the prior couple months.

Corn for ethanol use totaled 471.8 million bushels, a record for the month and the most since December 2025. If ethanol use remains strong through the end of the marketing year, it could cut upwards of an additional 50 million bushels off the balance sheet.

Heat, drought risks Ukraine crops

A lack of rain and high temperatures could reduce oilseed and corn harvests in Ukraine, says a Bloomberg report. Parts of the southern portion of the country are facing challenges due to a lack of moisture and persistently high temperatures, says the Ukrainian farmers union UAC in a statement.

Corn demand continues to break records

By Economists Spencer Langford and Lane Akre

The supply side of the market has garnered most of the attention so far this year, but the Grain Stocks Report released on Tuesday showed demand continues to prove robust, especially in corn, which set another quarterly record during March-May. Soybean demand set a record as well amid historic crush.

Corn stocks come in below all expectations

Corn stocks came in at 5.295 billion bushels, below all analyst estimates that ranged from 5.3 billion to 5.5 billion bushels. That put usage for the quarter at an all-time high of 3.74 billion bushels. The effects of record-high usage are tempered somewhat by the fact that over 17 billion bushels of corn were harvested last fall and annual ending stocks are likely to remain at multi-year highs even with the uptick. The relative abundance of corn, combined with end users seeing current price levels as a value, has undoubtedly played a role in supporting demand levels.

Strong demand alone has not proven to be enough to lift corn prices in a meaningful way, though it may help cement the recent contract lows as a near-term bottom.

The acreage report for corn was mostly price neutral. While expectations of lower corn plantings from increased nitrogen prices were not realized, an increase of 5,000 acres from March to 95.343 million was not overly bearish.

Soy stocks above estimates, but record demand persists

Soybean stocks as of June 1 totaled 1.06 billion bushels, which was up 54 million bushels (5%) from a year ago and 15 million bushels above trade expectations. While stocks were above expectations, use totaled 1.06 billion bushels, toppling the previous record of 953 million bushels set last year. Crush continues to drive demand higher, while late-season soybean exports helped bolster the total as well.

Only two months remain in the old-crop marketing year, and it appears China will refrain from many significant additional purchases of 2025 beans. Still, there remains opportunity for old-crop stocks to come in where USDA pegged them in the June WASDE at 340 million bushels. Crush demand will hold up well as the focus turns to new-crop and exports look to bounce from the lowest mark since 2012-13 as China is expected to purchase 25 MMT of new-crop beans.

Soybean acres rose 665,000 acres from the March

Prospective Plantings Report to 85.365 million acres, just below expectations of 85.369 million. Combined corn and soybean acres totaled 180.7 million acres, which would topple the 2017 record of 180.329 million.

Wheat stocks below average expectations

Old-crop wheat stocks totaled 920 million bushels, which is 15 million bushels below USDA's estimate in the June WASDE and 9 million bushels below the average pre-report estimate. That is despite a relatively early winter wheat harvest as well, which has skewed old-crop stocks higher in the past. Wheat ending stocks were still the highest since 2019-20 as fourth-quarter use fell to a three-year low amid a lackluster finish in exports for 2025-26.

Attention quickly turned to the acreage report in wheat, which showed acres falling more than expected amid the largest revision to March Prospective Plantings data since 2011. Lower production paired with global production concerns leaves opportunities for U.S. wheat on the world market this year.

USDA reported all wheat acres at 42.74 million acres, which is down from 43.775 million acres in March and is also the lowest recorded tally in U.S. history. Winter wheat acres led the reduction, but acres were below expectations in other spring wheat and durum wheat as well.

Demand in the driver's seat?

With acreage now set for the summer and key weather windows on the horizon, the markets are likely to key in on crop conditions and development in the coming weeks. Strong demand is generally supportive of prices, but while supplies remain plentiful, is not necessarily a sufficient catalyst for commodity markets.

The Grain Stocks Report made it apparent that demand has held up remarkably well. USDA NASS caught a lot of flack early in the marketing year for its Feed & Residual figure that was touted as too high, yet as we enter the final quarter, one has to consider the possibility that even USDA was too pessimistic.

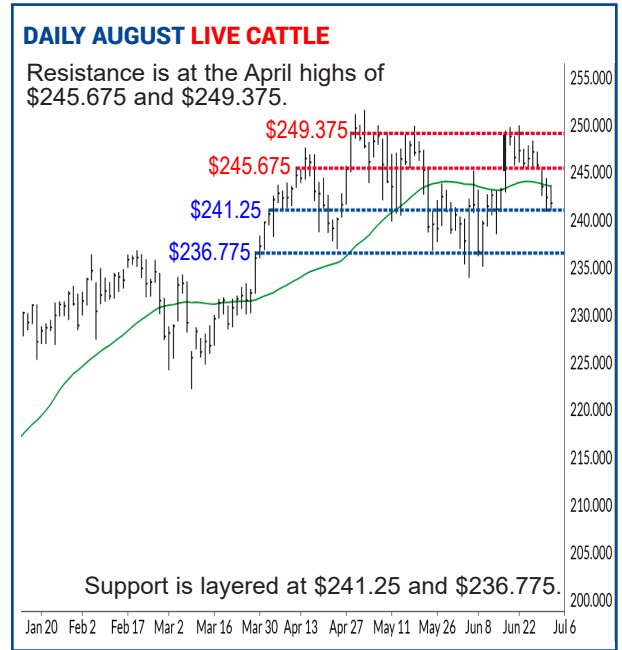
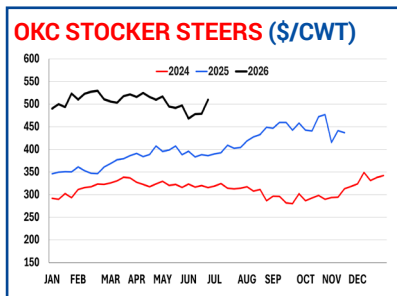
While corn and soybean plantings are a combined record, late-season plantings and heavy rainfall could still entice some affected producers to opt for prevented planting this year, which could then bring the sum closer to 180.0 million acres.

CATTLE

Cattle futures have faced long liquidation of late, with live and feeder cattle futures each facing near-term technical headwinds. The persistent New World screwworm threat and recent heat have offered little support. A pullback in boxed beef values has worsened already severely negative packer margins, which will continue to result in lower capacity utilization and reduced slaughter totals. Many retailers are heading into the Fourth of July with light inventories to efficiently meet consumer demand. Expect supply tightness to persist, with short-term downside risk from technical selling.

Position Monitor		
Game Plan:	Feds	Feeders
Live cattle	III'26 0%	0%
have re-	IV'26 0%	0%
bounded	I'27 0%	0%
	II'27 0%	0%

after recent selling, as supplies remain tight. Consider using LRP to establish price floors.

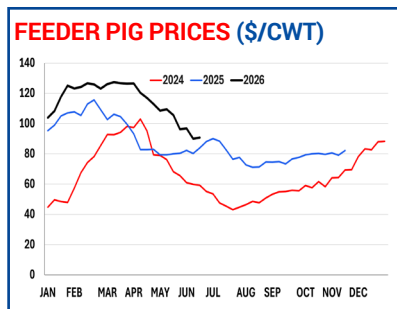


HOGS

August futures broke out of the recent range of consolidation with traders covering shorts as heat intensifies across a large portion of the U.S. Meanwhile, cash and wholesale fundamentals remain directionless as ample supplies meet demand. Hog slaughter and pork production are steady to slightly lower than year-ago, though heavier carcass weights have kept the pipeline well-supplied. Sharp price swings in primal bellies, fueled by improving bacon demand and rising cold storage stocks, have been the main driver of recent cutout movements.

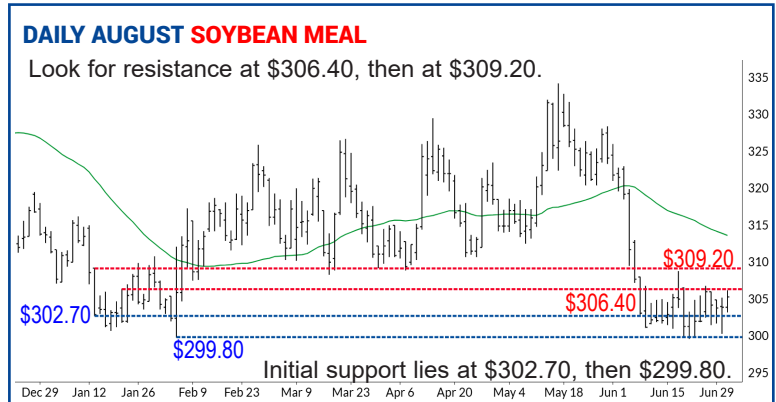
Position Monitor		
Game Plan:	We	Lean Hogs
advised liquidat-	III'26 0%	0%
ing the \$104.00	IV'26 0%	0%
July puts bought	I'27 0%	0%
	II'27 0%	0%

on Jan. 28 for Q2 production. Stay patient for now as we assess the next opportunity for hedges.



FEED

Feed Monitor		
Corn	Corn Game Plan:	You should have corn-for-feed need covered through the end of July. Be prepared to make purchases.
III'26 100%		
IV'26 33%		
I'27 0%		
II'27 0%		
Meal	Meal Game Plan:	You should have meal needs covered through the end of July. Be prepared to make additional purchases on an extended pullback.
III'26 100%		
IV'26 33%		
I'27 0%		
II'27 0%		



Position Monitor

	'25 crop	'26 crop
Cash-only:	70%	30%
Hedgers (cash sales):	70%	10%
Futures/Options	0%	40%

Game Plan: Remain patient for now as headwinds from lower crude prices and lack of a weather market have pushed corn futures into a downdraft. Key weather periods with the potential to spur a rally are still ahead. You should be 70% sold for the 2025 crop in the cash market. Be prepared to make additional sales.

DAILY DECEMBER CORN

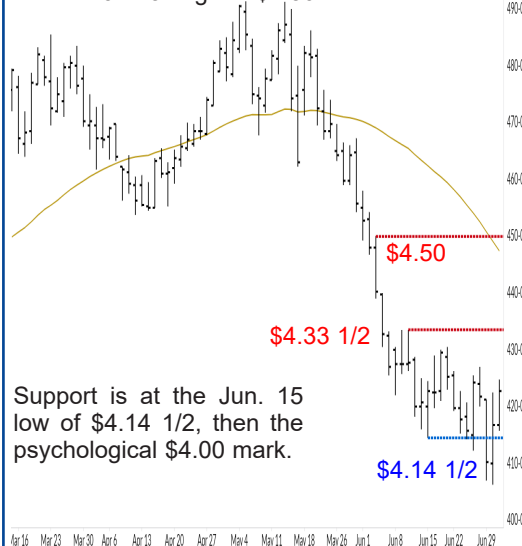
Initial resistance is at the Jun. 5 high of \$4.52 1/2 followed by the Apr. 8 low of \$4.69 1/2.



Support lies at the Jun. 15 low of \$4.34 1/4, then the psychological level of \$4.25.

DAILY SEPTEMBER CORN

Resistance is at the Jun. 10 high of \$4.33 1/2, then the Jun 3. high of \$4.50

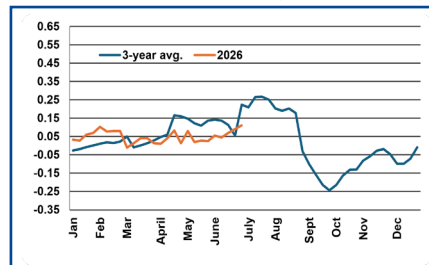


Support is at the Jun. 15 low of \$4.14 1/2, then the psychological \$4.00 mark.

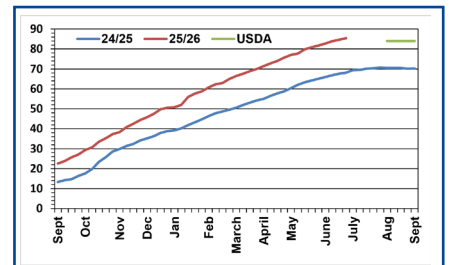
CORN

Corn saw pre-report positioning drive contracts to fresh lows to start the week. A friendlier than expected report day resulted in a mild bounce from those levels. USDA also reported corn for ethanol reached 471.78 million bushels in the month of May, a record high for the month. Despite Quarterly Stocks indicating record-usage for the March through June period, the balance sheet remains relatively bloated, with last years largest corn crop ever harvested being followed by another year with no major weather driven yield losses thus far. Pockets of too much or little moisture in the Corn Belt exist, but have not caused significant disease pressure so far.

AVERAGE CORN BASIS (SEPTEMBER)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

	'26 crop	'27 crop
Cash-only:	30%	0%
Hedgers (cash sales):	30%	0%
Futures/Options	0%	0%

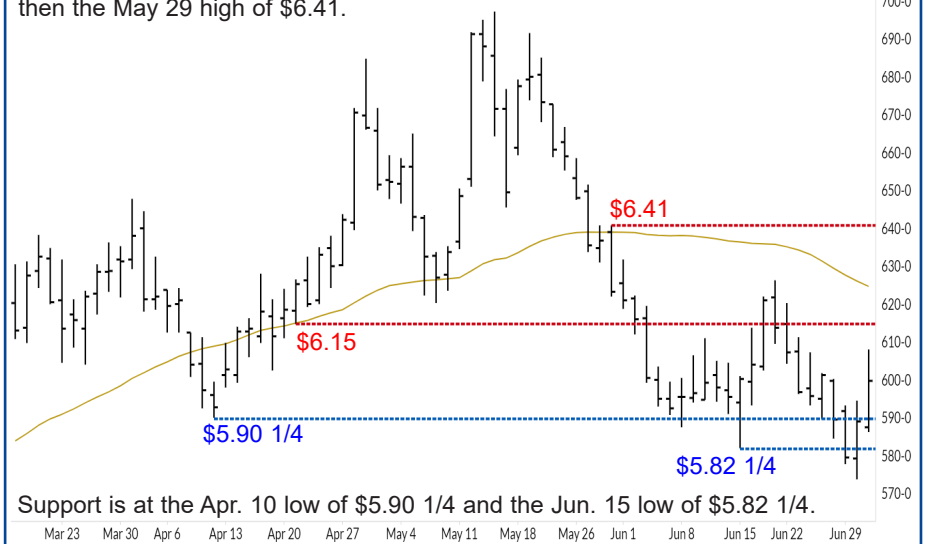
Game Plan: You should have 30% of 2026 crop sold in the cash market. Be prepared to make additional sales as the market reacts to early harvest results. Remain patient for now on 2027 sales.

WHEAT

SRW – USDA's reports re-affirmed the bullish supply picture in U.S. wheat, and has pushed nearby contracts back above the key \$6.00 mark. SRW is also the class primarily produced in most of western Europe which is currently experiencing a record-setting heatwave.

DAILY SEPTEMBER SRW WHEAT

Resistance is at the Apr. 21 low of \$6.15, then the May 29 high of \$6.41.



Support is at the Apr. 10 low of \$5.90 1/4 and the Jun. 15 low of \$5.82 1/4.

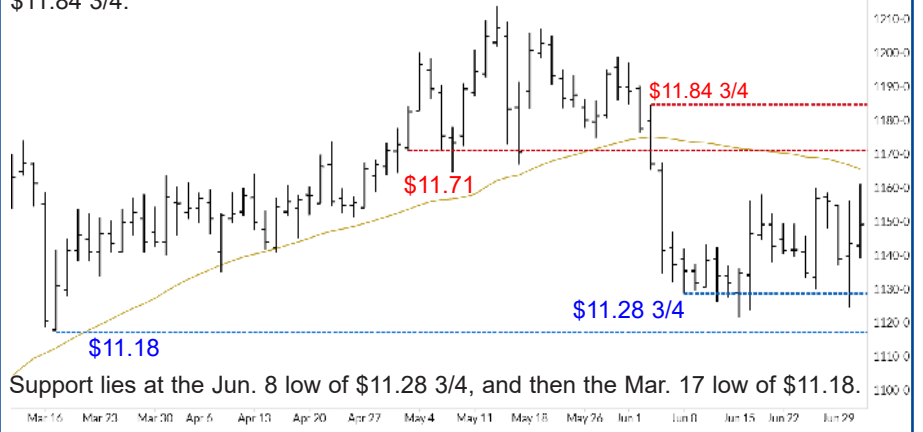
Position Monitor

	'25 crop	'26 crop
Cash-only:	90%	30%
Hedgers (cash sales):	90%	10%
Futures/Options	0%	40%

Game Plan: Be patient on final 2025 crop sales for now, as outside markets and strong growing conditions for soybeans have limited marketing opportunities. You should be 90% sold in the cash market for the 2025 crop. Cash-only marketers are 30% sold on 2026 crop, with hedgers 10% sold and another 40% covered under options.

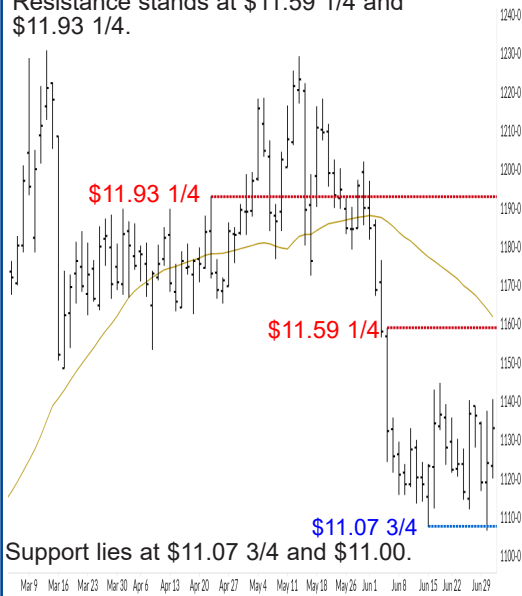
DAILY NOVEMBER SOYBEANS

Resistance stems from the May 1 low of \$11.71 and the Jun. 3 high of \$11.84 3/4.



DAILY AUGUST SOYBEANS

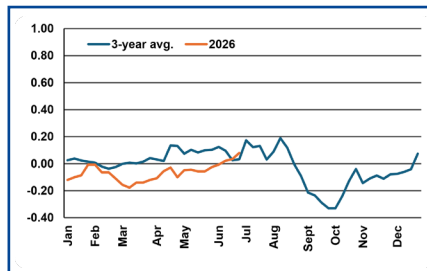
Resistance stands at \$11.59 1/4 and \$11.93 1/4.



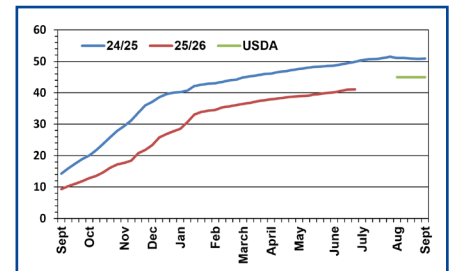
SOYBEANS

Soybean crush in the month of May totaled 213.1 million bushels according to USDA, once again setting a record for the month. Demand for soy oil has not proven enough to dampen the downdraft in prices, as levels pushed below key technical support at the 100-day moving average. China has begun to chip away at their commitment of purchasing 25 MMT in the upcoming crop year, having now committed to 200,000 MT for delivery in the 2026-27 crop year. The lack of weather concerns weighing on the corn market also applies to U.S. soybeans, though the key August window is still well ahead.

AVERAGE SOYBEAN BASIS (AUGUST)

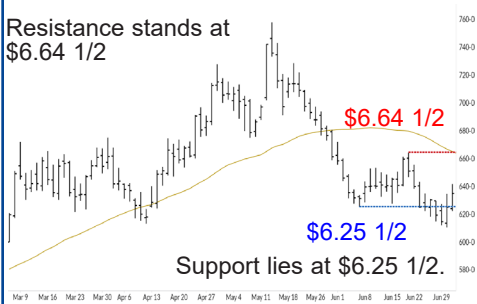


SOYBEAN EXPORT BOOKINGS (MMT)



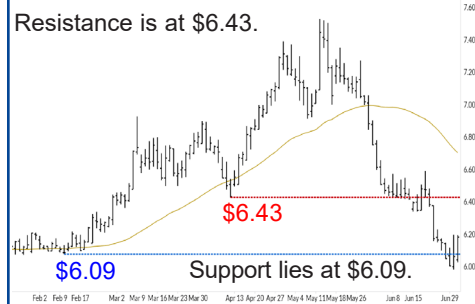
DAILY SEPTEMBER HRW WHEAT

Resistance stands at \$6.64 1/2

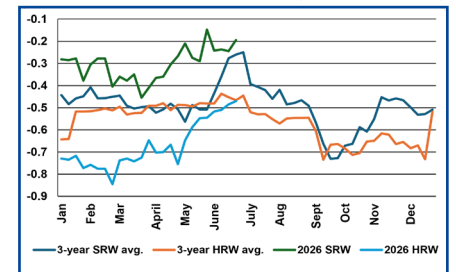


DAILY SEPTEMBER HRS WHEAT

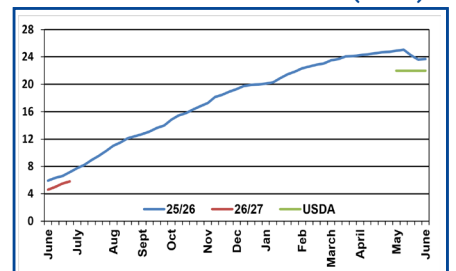
Resistance is at \$6.43.



AVERAGE WHEAT BASIS (SEPTEMBER)



WHEAT EXPORT BOOKINGS (MMT)



HRW – Smaller than expected acres and stocks were a boon for winter wheat markets that had been stuck in a price downtrend since mid-May. Poor yields have been reported early, and fewer acres will only exacerbate the lack of supply. Harvest pressure may curb upside movement in the near-term, however.

HRS – Rains in the northern Plains have been mostly beneficial to HRS, with the exception of isolated areas receiving storm damage. The high temperatures this week may limit any condition improvements this week, however. HRS futures also got a boost from the report of a flash sale of 100,000 MT for delivery to Nigeria.

Position Monitor

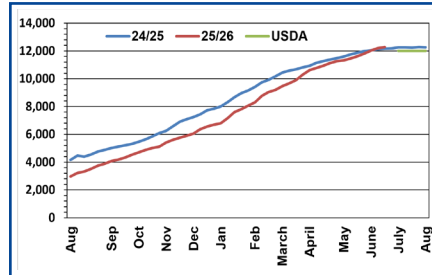
	'25 crop	'26 crop
Cash-only:	100%	60%
Hedgers (cash sales):	100%	60%
Futures/Options	0%	0%

Game Plan: On May 20, we advised selling 10% of old-crop production to finish sales. Be prepared to make additional new-crop sales.

AVERAGE COTTON BASIS (OCTOBER)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON

Resistance stands at the April highs of 78.57¢ and 80.60¢.



COTTON

The 100-day moving average continues to offer up solid support, despite USDA's expectations of a slightly larger U.S. crop. The rally in equities has been supportive, but weather will be a key driver going forward. Condition ratings have declined, especially in Texas.

GENERAL OUTLOOK

PRECIOUS METALS: Gold prices in June posted a fourth consecutive monthly decline amid expectations that the Fed will raise interest rates this year. The gold market also ended the second quarter with its worst quarterly price performance in over 20 years.

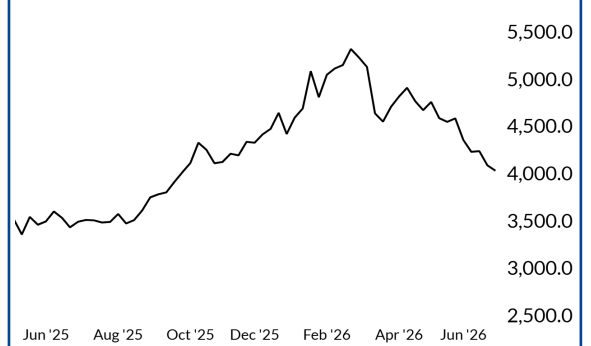
The precious yellow metal's price lost around 11% in June and was down roughly 14% in the second quarter.

One of the biggest destabilizing

geopolitical events of the last half-century—the U.S.-Iran war—could not boost the safe-haven metal.

This is a classic example of why commodity price forecasting is an extremely difficult and perilous endeavor. Even the most savvy, veteran gold market watchers would have reckoned a major Middle East war would push prices to a new record high.

WEEKLY AUGUST GOLD FUTURES



FROM THE BULLPEN By Market Analyst Hillari Mason

CBOT corn futures have faced significant pressure from fund liquidation, with the September contract falling nearly 86¢ over the past eight weeks. In contrast, Euronext corn futures have rallied during the same period, supported by an extreme heatwave across much of Europe which has heightened production concerns.

This divergence is not unprecedented but remains notable. Weather shocks and disruptions to tradeflows have frequently driven temporary decoupling in recent years when regional supplies or import needs come under strain.

The two benchmarks serve distinct roles. Euronext corn functions as the primary European reference, closely track-

ing EU physical cash markets, local supply-demand balances, and import requirements. CBOT corn serves as the dominant global benchmark, shaped primarily by U.S. production, ethanol demand, and large-scale export flows.

Despite these differences, Euronext's stronger performance suggests tightening physical realities that could signal broader global production constraints. Current European conditions show no clear link to El Niño and appear driven instead by a high-pressure heat dome. However, an evolving El Niño could continue to exacerbate global production concerns in the months ahead, potentially amplifying weather risks across key growing regions and further influencing trade dynamics.

WATCH LIST

- 1 Crop Progress** **MON 7/6**
Condition ratings in focus. 3:00 p.m. CT
- 2 Weekly Ethanol Production** **WED 7/8**
Will production remain steady? 9:30 a.m. CT
- 3 Weekly Export Sales** **THUR 7/9**
Increasing focus on new-crop sales. 7:30 a.m. CT
- 4 USDA Crop Production Rpt.** **FRI 7/10**
USDA's first all-wheat crop est. 11:00 a.m. CT
- 5 USDA WASDE Report** **FRI 7/10**
Old, new-crop balance sheets 11:00 a.m. CT

Farm Journal TV for Free!

As a *Pro Farmer* Member, you get free access to Farm Journal TV — a \$120 value.

Go to farmjournaltv.com, select an annual subscription and use coupon code PROFARMER.