Morning Commentary
July 13, 2026

CORN: HIGHER

Corn market gapped higher overnight and holding that strength as forecasts remain hot and dry as we get into pollination. Friday's WASDE still remains a mystery to me as USDA raised old crop feed demand… make that make sense, lowering OC carryout and that mixed with an increase to new crop exports led to a reduction in new crop carryout as well. CFTC showed funds with a small addition to longs, and a 58.3k reduction to shorts led to a 58.8k shift from net short back to net long. Looking forward this week, continue to keep an eye on forecasts, as well as what is happening in the middle east as the ceasefire is off in Iran/ Strait of Hormuz, in addition to seeing an increase in activity in the Black Sea region.

At the break, CU26 was 4 ½ higher.

SOYBEANS: HIGHER

Well, the dome isn't worrying too many just yet. Looks like the second endless war is going as Iran has decided not to negotiate on the peace terms and to violate the ceasefire. The reality on the crops is sunshine and 85 for a high and mid- to upper 60s for nighttime lows doesn't scare many. Now a lack of a breakdown in the high over the Midwest after the weekend will be a different story. Crop conditions will be out later, and they should be mostly steady. Basis values have been firm to on fire, depending on your view and which locations you look at. KC processor beans are trading to if not above $1 premium. Doubt that falls back much until a shutdown or NC beans arrive. Spreads continue to be firmer with a touch of inversion smell to them, IMO. Maybe the biggest mover today would be a continuation of Chinese buying in the flash sales. Will find that out at 8 a.m. CFTC again had more buying than projected. Appears the funds have gotten better again at covering their tracks. Better early but not sure we can hold it today. Tomorrow is last trading date for July contracts. 304 bean oil certs tendered out of SD Soybean Proc. for today.

Beans: V-245,502/OI-995,005(+9,921); Meal: V-159,877/OI-595,636(+4,712); Oil: V-156,695/OI-631,851(-723)

At the break, SQ26 was 4 ½ higher.

WHEAT: LOWER

The market raced higher from just ahead of the morning break on Friday, with reports of attacks in the Kerch Strait stopping shipments from the Sea of Azov which would halt shipping through the route that handles about 25% of Russian grain shipments. USDA reports confirmed the expectations of traders, reducing 25/26 carryout by 15 MB and reducing 26/27 production by 7 MB to cut carryout by 22 MB to 722 MB. Winter wheat production declined more than expected to 990 MB, with HRW at 471 MB, SRW at 287 MB, and WW at 232 MB. CFTC reports showed funds were buyers of grains through 6/30, reducing the short in Chicago by 7k contracts and adding 5k contracts to the net long in KC wheat. Overnight trade opened higher on follow through from USDA numbers and the closure of the Kerch Strait halting Russian traffic, but traders took profits and moved to small losses into the break.

At the break, KWU26 was 2 ¼ lower.

CATTLE: STEADY-LOWER

Weak wholesale beef markets, sharply lower cash fed markets, and very poor market sentiment have all snowballed into sharply lower futures action. Nearby Aug LC will finish the week with a near $4 loss, nearby Aug feeders a $6 loss. Open interest has shed 11K contracts in just the past three days. Cattle bulls will no doubt be hoping the weekend offers a reset to the marketplace, but we still find ourselves in mid-July which is not traditionally a good time to get bullish, and amid increased warring, weak equities, and firmer corn markets this morning. Weekly slaughter of 529K head was as expected, down 7.5% from the 572K this same week last year. Total beef production was off 5.1% y/y. We still expect there to be a few weeks starting in August that beef production begins to match or even outpace year-ago levels. For what it's worth, the cutout in August 2025 averaged near $390 and five area cash near $243, both of which aren't that far from current market. The commitment of traders report showed funds as net sellers of 6K contracts of live cattle on the week, now net long 113K.

Fund Position	Accumulative	Yesterday
Corn	1,001	40,000
Soybeans	64,579	12,000
Soybean Meal	21,722	5,000
Soybean Oil	94,919	3,000
Chicago Wheat	-47,432	12,000
KC Wheat	14,729	6,000

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CURRENT TREND: Mostly Higher **REASON:** Crude oil supports as war resumes, hot and dry week on tap for corn belt

EXPORT INSPECTIONS @ 10 AM, CROP PROGRESS @ 3 PM

MORNING TRIVIA: The Live Aid benefit concert took place at venues across the globe, on this day of what year?

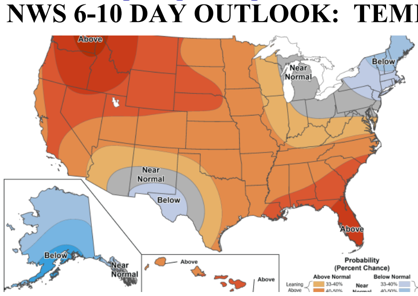
MARKET HEADLINES

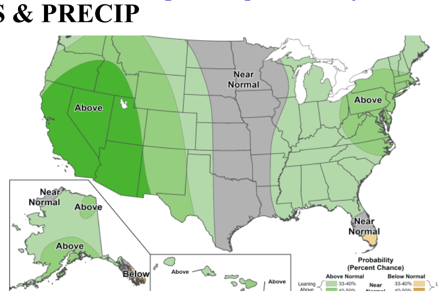
- *Quick Editorial*: the grains surged out of the gate last night along with crude, with the most-traded CBOT December corn contract gapping higher to challenge technical resistance and add risk premium post-USDA carryout reductions and ahead of a taxing weather week at a key time for the U.S. corn crop.
- Jordan issued tenders to buy up to 120k tonnes each of wheat (closing 7/21) and feed barley (closing 7/22), each for Sept-Oct delivery.
- Ukraine's APK-Inform yesterday raised their 2026 grain production estimate from 58.7 to 59.6 MMT, with wheat up from 21.7 to 22.4 MMT; 2026/27 grain exports were also increased from 42.8 to 43.1 MMT.
- Friday afternoon's Disaggregated CFTC Report showed managed money funds mostly buying on the week ending last Tuesday (7/7), with corn +52k net there, beans +31.4k, meal +14.0k, Chi wheat +7.1k, and KC wheat +3.8k; oil lost 7.0k net contracts on the week. Those corn and soybean net moves were still less than expected according to daily trade estimates. Producers and merchants cut 42.0k net corn, along with a –36.4k soybeans, -16.2k meal, and –6k each in the wheats. Oil added 8k net P&M on the week ending July 7.
- *July CBOT Deliveries:* soybean meal 45 contracts, with next trade date available 6/26/26; bean oil 304 and 7/8; KC wheat 4 contracts and 6/30/26.
- *Export Inspections Estimates (000 tonnes):* **Estimate Range** / *Last Week*
  Corn: **1200-1600** / *1527.1* Beans: **300-600** / *594.0* Wheat: **500-800** / *738.6*
- *USDA '25/26 Carryout (bln bu):* **July USDA** / Avg Est / *June USDA*
  Corn: **2.020** / 2.073 / *2.145* Beans: **0.330** / 0.338 / *0.340*
- *USDA 2026 Prod (bln bu):* **July USDA** / Avg Est / *June USDA*
  Corn: **16.000** / 15.975 / *15.995* Beans: **4.475** / 4.459 / *4.435*
- *USDA '26/27 Carryout (bln bu):* **July USDA** / Avg Est / *June USDA*
  Corn: **1.790** / 1.873 / *1.960* Beans: **0.310** / 0.330 / *0.310*
  Wheat: **0.722** / 0.714 / *0.744*
- *USDA '26/27 World Carryout (MMT):* **July USDA** / Avg Est / *June USDA*
  Corn: **275.26** / 278.85 / *281.22* Beans: **124.17** / 125.2 / *124.9*
  Wheat: **272.84** / 273.17 / *275.42*
- *USDA '26/27 Wheat Prod (bln bu):* **July USDA** / Avg Est / *June USDA*
  All Wheat: **1.536** / 1.525 / *1.543* Winter: **0.990** / 1.001 / *1.03*
  HRW: **0.471** / 0.478 / *0.497* SRW: **0.287** / 0.292 / *0.300*
  White: **0.232** / 0.229 / *0.233* Spring: **0.475** / 0.454 / *N/A*

WEATHER UPDATE

- Rains fell in the southern and southeastern belt over the weekend before leaving the Plains and Midwest dry into today; action mostly holds in the southern U.S. this work week but extended maps are turning towards mostly normal or better precip. Temperatures remain above-normal up through late July.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP





CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

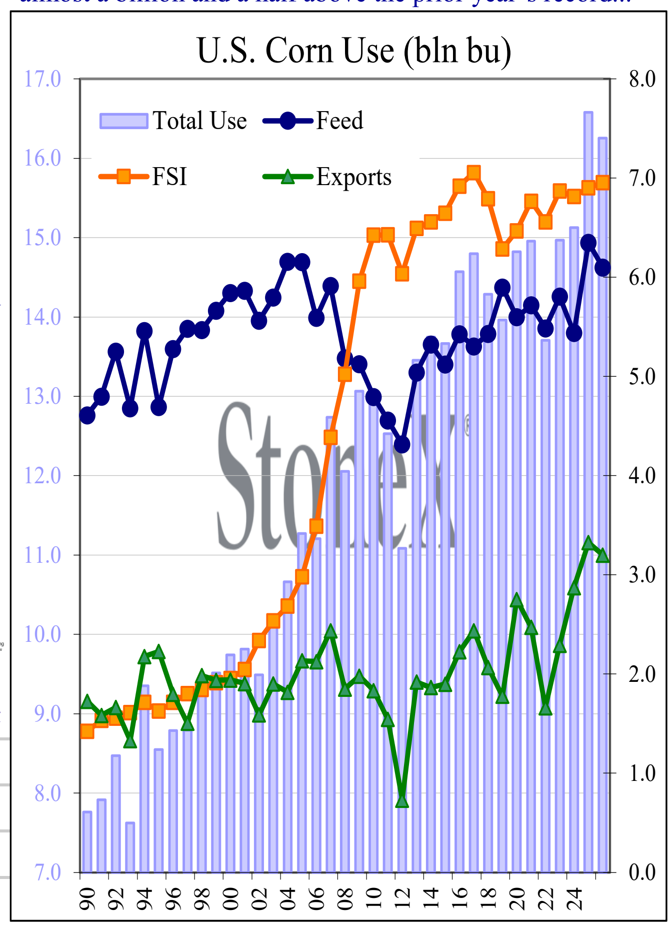
	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	40,000	12,000	5,000	3,000	12,000	6,000
Est Net	1,001	64,579	21,722	94,919	-47,432	14,729
Rec +	498,177	260,433	152,403	167,943	66,351	72,845
Rec -	-356,415	-183,145	-125,872	-110,846	-171,269	-77,369

NIGHT SESSION (to 7:00 AM): Grain Volume: 270,963

Symbol	High	Low	Last	Chg	Vol
CU6	447.50	443.00	**444.75**	**+5.25**	33,504
CZ6	469.50	464.75	**467.00**	**+6.00**	59,255
CH7	484.00	479.50	**481.50**	**+5.75**	8,128
WU6	653.00	636.25	**638.50**	**-1.75**	21,273
KWU6	691.00	672.25	**675.00**	**-1.25**	6,948
SQ6	1208.75	1194.00	**1198.75**	**+7.00**	8,572
SU6	1197.50	1182.75	**1187.50**	**+6.25**	2,751
SX6	1207.25	1191.50	**1197.00**	**+6.25**	40,788
SMQ6	323.70	320.20	**320.70**	**+0.30**	3,595
BOQ6	71.74	70.83	**71.66**	**+1.20**	6,028
CLQ6	75.08	72.61	**73.72**	**+2.31**	79,636
DXY	101.02	100.59	**100.71**	**-0.05**	5,998

FUNDAMENTAL UPDATE

The USDA doubled down on its massive 2025/26 feed usage figure after the bullish June 30 stocks report, likely waiting until September to revise its 2025 corn production number downward; '25/26 feed use stands at 6.35 billion bushels, now around 200 mbu above even the peak feed years of 2004-2005. Total corn use stands at 16.58 bln bu, almost a billion and a half above the prior year's record...



Answer: 1985

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