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## Thursday, July 3, 2025

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Good morning. CBOT markets are higher this morning to start Thursday, with yesterday's buying having spilled into another session at least early this morning. With a three-day holiday weekend looming and a scheduled rally from President Trump on the docket for later this evening, we would expect somewhat choppy/volatile trade today as the session looks to be all about position squaring and profit taking ahead of a few days off. We mentioned it yesterday afternoon, but we would strongly caution against chasing this rally too quickly until we hear Trump has to say later tonight; China does not need an abundance of US ag products right now, and has spent years trying to diversify their crop imports. That said, we remain skeptical that a Phase One-like deal will be the result of this evening's happenings in Iowa. Corn futures to start Thursday are trading 3-4 cents higher, soybean futures are trading 4-5 cents higher, and the Chicago wheat market is trading around a penny higher. Products are mixed, soybean meal is up \$2-3/ton, and soybean oil is down 15 points. Outside markets are mixed/quiet, crude oil futures are down 10-20 cents/bbl, the Dow Jones index is up 30 points, and the US\$ index is up 5 points; the S&P500 is unchanged and the NASDAQ is up 20 points.

### **Today's Reports: Weekly Export Sales; Weekly Jobless Claims; Monthly Non-Farm Payrolls; Census Trade Data**

- This morning's weekly export sales report for the week ending June 26th is expected to show old crop corn sales between 400k-1.0 mil MTs and old crop soybean sales between 300k-700k MTs. On the new crop, corn sales are seen between 500k-900k MTs, soybean sales are seen between 0-300k MTs, and wheat sales are seen between 200k-600k MTs.

- CME Group delivers for day three of the period included another 512 contracts of soybean meal, along with 73 contracts of corn, 32 contracts of KC wheat, and 18 contracts of soybean oil.
- Russian news agency Interfax reported on Wednesday that Russia has harvested 3.8 MMTs of grains so far since harvest began in mid-June. The figure compares to 16.5 MMTs of grains harvested through the same period last year, though there was no detail given as to the large difference. Russia sees its total 2025 grain harvest reaching around 135 MMTs.
- Staying in the Black Sea region, a Ukrainian producer's union on Thursday said the country will start exporting wheat from the current harvest over the next couple weeks, with prices expected to be up \$20-30/ton from current levels. The country's farm ministry last week said just over 22k tons of grains had already been harvested in the current season, mostly in southern growing regions.
- In a statement earlier this week, global crop powerhouse Bunge said their takeover of Viterra was complete following new Chinese approval a few weeks ago. Said Bunge's CEO, "Today is a defining moment for our company."
- There is some confusion this morning regarding yesterday's trade deal announcement with Vietnam, with some in the industry questioning whether the \$2.9 bil figure was in addition to business already being done or a total figure. If the latter, the deal is seen by some as somewhat disappointing, as Vietnamese ag imports have averaged more than \$3 bil/year over the last few years. In \$ terms in 2024, the US exported roughly \$460 mil worth of soybeans to Vietnam and roughly \$150 mil worth of wheat; corn exports to Vietnam have been minimal.
- House Republicans overnight last night seem to have overcome some of their trepidations regarding the costs of Trump's tax bill, as sources familiar say the bill could come to a final yes/no vote as early as this morning. If

passed, the bill would be major win for US biofuel producers, as long awaited legislation regarding 45Z tax credits would finally be put into law. Reuters reported the final vote was expected as early as 5:30 this morning, but we have seen no updates on the situation as of this writing.

- This morning's jobs report will likely go a fairly long ways in determining the potential for interest rate cuts by the Fed in July; data for June is expected to show a further slowing of the labor market, with the unemployment rate seen ticking up to 4.3%, which would be its highest level in more than 3 and a half years. Economists see nonfarm payrolls increasing by just 110k jobs last month, which lags May's increase of 139k jobs and also lags the recent 3-month average of 135k jobs.
- Midwest weather looks to remain mostly dry for another roughly 24 hours or so, before storms and rainfall are seen returning to the western/northwestern parts of the area through the weekend and into the first part of next week. The EU model's forecast this morning calls for rains of around an inch between now and the middle of the night on Sunday impacting KS/NE/IA/MN/WI.
- Temperatures will be warm for the holiday weekend, with highs in the lower 90's lingering in the western Midwest today and working their way east through the weekend and into next week. Behind this heat, cooler air is expected to follow for the mid-section of the country into next week, while the both the west and east coasts look to stay warmer than average.
- Further out, model runs for the week two period overnight traded drier in the western US, but were otherwise largely unchanged in the east as above average precip potential continues to be seen July 10-16 for most all of the Corn Belt and eastern US. It is this continued forecast moisture flow into at least the early stages of corn pollination that has some in the space talking about yields that are possibly well above what the USDA is currently predicting. July weather is critical for corn production.

- Have a great, safe, and enjoyable long holiday weekend! Following the close this afternoon, which comes at the normal 1:20pm central time, markets will reopen at 7pm central time Sunday evening, with their being no trade tomorrow on Friday.