The grain markets are mixed to weaker as the weather models have turned wetter for next week. China announced they will allow tariff-free imports of US pork, corn and cotton in addition to previously waiving tariffs on up to 3 MMT of US beans. The weekly US Drought Monitor is showing the first signs of abnormally dry conditions in portions of the central Corn Belt, emphasizing the need for next week’s rain event.

The weather models are mixed with the EU showing a drier pattern over the next 4 to 5 days the 11 to 16 day outlook still suggests a northwesterly flow, bringing below average rains and temperatures. A USDA attaché in China reporting the overall herd size is estimated to decrease by 21 percent in 2019, then further decrease another 10 percent in 2020. Pork consumption is estimated to fall at least 9% in 2019, continuing demand for pork will drive a sharp increase in imports, up 60 percent year-on-year.

Wheat Quality Council Hard Spring Wheat and Durum Tour participants estimated this year’s spring wheat yield will average 43.1 bushels per acre versus 41.1 a year ago and the five-year average of 44.7 bushels per acre. Investors believe there’s an 80% chance that the FOMC announces a 25-basis point cut in the Fed interest rate when it concludes its two-day meeting on July 31st. There is a 20% chance it announces a 50-basis point cut.

The fall armyworm is expected to hit more areas in the corn growing regions of northern China. A government-backed agriculture institute estimating another 1.33 million hectares (3.29 million acres) will be infested.

### Opening Calls

Weather models turning wetter for next week.
Markets waiting for the Aug 12th crop report to learn more about acreage.
US trade team will meet Chinese officials for a two-day meeting beginning on July 30th.

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