

**Crop conditions down but prices up.**

Corn and soybean futures finished mixed on Monday as the market tries to rebound from last week's pummeling. Crop conditions dropped for both corn and soybeans for the second straight week but it was not a surprise to anyone paying attention. Corn was off 2% and soybeans off 1% from last week. Another batch of storms are running across the N Plains and should be helping the soybean crop across the Dakotas and Minnesota. Seeing some stories of quick dry downs already which has us concerned about grain fill to end the season. Can we achieve > 175 bushels national yield in corn and > 50 bushels for soybeans under those conditions? We think it will be hard to do unless the temperatures cool off into September.

**Today's Corn Outlook:** Corn lost 1.5 cents on Monday but rebounded 4 cents overnight. Crop conditions were down 2% but weather is better in the N Plains with more rain. We are moving into the time period where weather and crop conditions don't move the market like June and July and even early August. Will have to pay attention to that 5.30 area again today.

**December Corn Technicals:** Corn market is turning back negative and the bulls need a move back over 5.65 to start. Bears are looking to press prices into 5.25 area.

**Today's Soybean Outlook:** Beans added 2 cents on Monday and another 13 cents overnight. Better weather in the N Plains should dramatically help the soybean crop but is it just saving what they have or will it actually improve the yield going forward.

**November Soybean Technicals:** The market has turned back negative and last week's selloff opens up a possible move to 12.40.

**Exports:** 125,300 tons of corn to Mexico and 132,000 tons of soybeans to China.

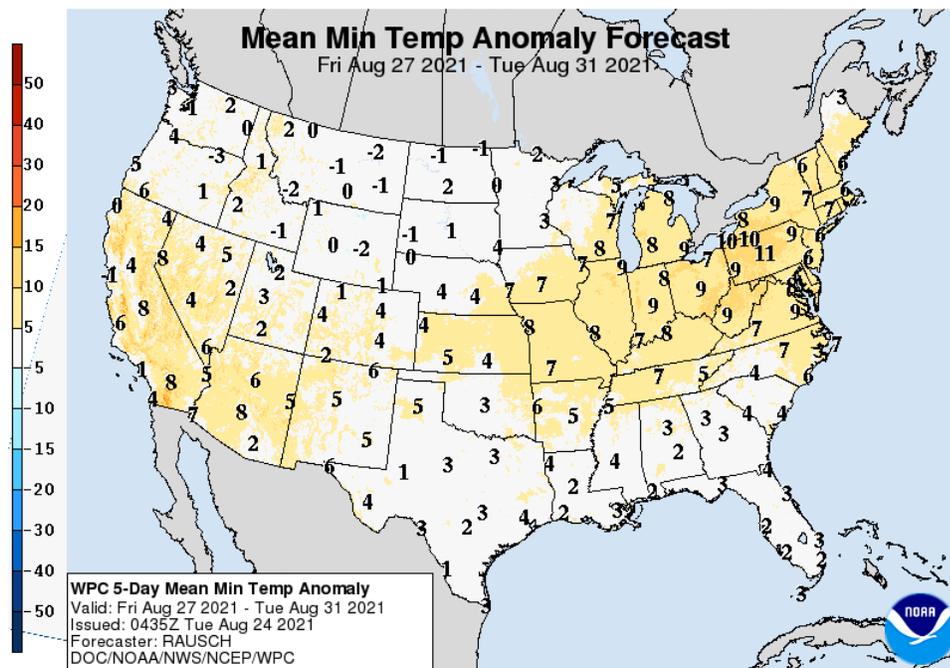
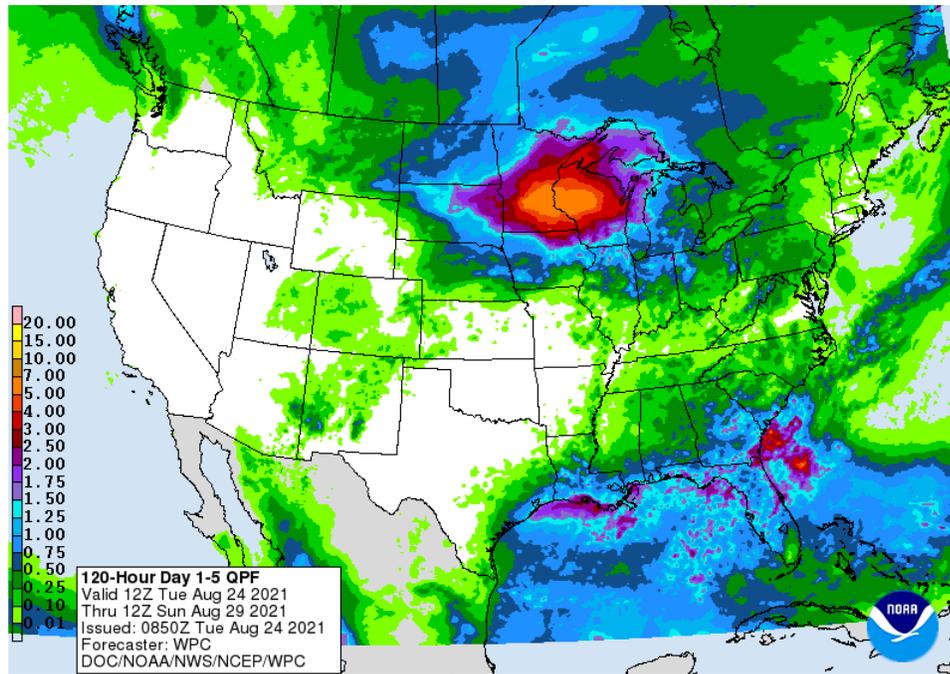
**Weather:** More rain across the N Plains continues to trim the major stress areas this week.

**Dollar Index:** The dollar is trading 4 ticks lower this morning at 92.92.

**Brazilian Real:** The Real is trading 13 ticks higher this morning at 1872.

**Additional Comments:**

5 Day Rainfall Accumulation Forecast



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