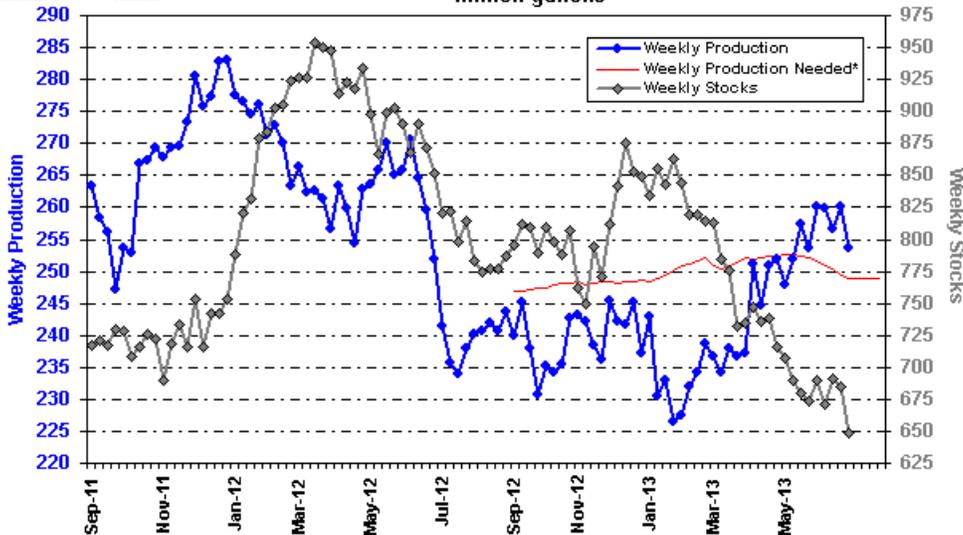


## Next session for grain market is Friday morning at 8:30 a.m.

**CORN:** Corn closed mixed with July contract drifting higher while Dec corn chops around between \$4.99 and \$5.10. Weather forecast short term is supportive with no extreme temps though some extended models trying to bring some above normal temps into KS/Nebraska area. Informa production estimate was 160 bpa (vs USDA's 156.5) with production at 14.259 bln bu. Their yield is down slightly from their previous estimate but their production number increased reflecting the USDA plantings report. Weekly ethanol production was down slightly this week to 863k bpd but this is still well above projected grind, see chart by Randy Mittelstaedt. Spot old crop



EIA Weekly U.S. Ethanol Production and Stocks  
-million gallons-



\*Weekly Production Needed is estimate of average necessary production for remainder of corn marketing year to reach USDA's 2012/13 corn for ethanol demand estimate of 4.650 bil bu

corn basis continues to push higher with ethanol plants working to secure replacement grind as US ethanol stocks hit 3 1/2 year lows. Movement from both farmer and elevators remains dead with Midwest farmers still wanting \$7.25-7.50 cash for old crop supplies. Dec corn for now is holding near \$5.00. Chinese private firms are thought to have booked at least 3 cargoes of US new crop corn. (China also a big buyer of wheat this week from Australia, US and Canada). Friday's market action is expected to volatile and likely to hinge on updated weather maps and fresh news out of Asia.

**WHEAT:** Wheat rallied today on confirmation that China booked 360,000 tons of US SRW though chatter is that more will get announced soon. China also thought to have booked up to 10 cargoes of Canadian wheat along with 300,000 tons of Australian new crop wheat this week. The Chinese govt appears to be rebuilding their grain reserve and took advantage of this week's drop in prices to get coverage on. Chicago wheat also seeing some support from continued rains in IL, IN and OH which is having a drag on quality and TW. Informa's wheat production was a friendly surprise with its all wheat number of 2.057 bln bu vs USDA's 2.080 bln bu. They peg HRW almost 50 mln bu less than USDA (730 vs 781) while SRW production is expected to be 532 bln bu vs USDA's 509. Spring wheat production was about unchanged at 482 mln bu. Would expect to see some follow through support Friday and next week as traders try to determine how much more wheat China looks to buy.

**SOY-COMPLEX:** Old crop months again leading the way up with no deliveries against beans or meal while Nov beans saw support from Informa leaving their soybean yield unchanged at 43.9 bpa (vs USDA at 44.5 bpa). Informa pegs production at 3.376 bln bu vs USDA at 3.390 bln bu. US crushers are still seeing very good margins of near \$1.00 bu but are having trouble securing beans. Port delays in Brazil and Argentina (60 and 30 days respectively) continue to hamper US importing large amounts of soybeans and soymeal into the Southeast. Trade keeping eye on wet conditions in ECB and if that will hamper getting double crop beans in. Soyoil saw some support vs meal today (thought to be profit taking). July contracts go off the board next Friday and traders will be watching to see if the August contracts will make an attempt to fill some of the gap of the inverse.

HAVE A SAFE AND HAPPY JULY 4TH!!

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