

Soybean futures fell toward new contract lows in the last half of July as favorable domestic crop ratings, beneficial weather, and lackluster international demand combined to weigh on the marketplace. Soybean meal futures bounced off contract lows to finish the second half of July slightly higher. U.S. soybean oil futures fell sharply, due in part to a U.S. appeal court decision to vacate a 2022 EPA decision of hardship provision for 39 small refineries. It remains unclear how the court decision will impact future U.S. bio or renewable diesel production. Five percent of U.S. soybean area was affected by drought through July 30, a far cry from 51 percent a year ago. USDA indicated 67 percent of the soybean crop was rated good/excellent through the week ending July 28. This was 1 percent behind the prior week but was 7 percent ahead of the 5-year average. New crop soybean export sales have picked up in recent weeks but remain historically low for this point in the marketing year. Export sales to China have been nearly absent and are at their lowest level for this point in the marketing year over the past decade. August has marked a flurry of export sales to China over the past three years and market participants will be paying close attention to see if this pattern repeats itself again this year. Market attention will remain focused on yield estimates coming out of the fields across the Central U.S. as well as any signs of export demand picking up. USDA confirmed it will include FSA acreage data and adjusted planted/harvested acres accordingly in the next crop report. Our clients have leaned on flexible positions throughout the spring and early summer. They are maintaining protection to lower prices but freshening up coverage to position themselves to benefit should there be a market rebound.



The estimated yield for the Jul 2024 crop is 67 bushels per acre and the non-land operating cost is \$513 per acre. Land cost for Jul 2024 is estimated at \$275 per acre¹. Basis for the Jul 2024 crop is estimated at \$-0.35 per bushel.



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¹ The Soybeans Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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