As pre-report polls anticipated, the USDA Crop Progress Report stated the 2019 corn crop’s good to excellent (G/E) rating as of July 7 at 57% G/E. Thus, the report seems unlikely to exert much influence upon corn prices in overnight trading. Still, it would be easy to see how this result could prove supportive of corn futures, since this 1% weekly increase in the G/E crop rating still left it 18% below the year-ago figure and 11% below the 10-year average. The low reading at least partially reflects the crop’s delayed growth. As for the state data, G/E readings climbed in 10 of the 18 states surveyed, declined in 7 and stabilized in one. The biggest gainer, and the state with the highest reading was Colorado, which saw its rating rise 7% to 85% G/E. South Dakota (62%), Tennessee (79% G/E) and Wisconsin (59%) all posted 4% weekly gains. In contrast, the North Carolina reading fell 10% to just 39% G/E. Of more importance was the 5% Illinois drop to 37% G/E. The Iowa rating dipped 3% to 61%. The Missouri crop remained the worst at just 28% G/E.
The USDA's Good/Excellent (G/E) reading for cotton was expected to rise modestly, since good subsoil moisture was thought to likely have helped southern Plains cotton stand up well to increased heat and dryness in that region last week. Thus, the 2% weekly rise to 54% as of July 7 wasn’t terribly surprising. The rise compared well to the normally flat early-summer pattern and to the year-ago and 10-year average results at 41% and 49%, respectively. ICE futures may face overnight weakness as a result. As for the state readings, 9 declined, 5 rose and 1 was unchanged. Actually, the results emphasized the importance of the Texas crop. That is, the Texas reading rose 4% to 48% G/E, as did that for Louisiana (to 64%) and the Virginia rating rose 8% to 89% G/E. Those clearly offset the losses suffered by most other states, with the Arizona number diving 17% to 74% G/E, while Oklahoma and Kansas lost 14% and 10%, respectively, to 71% and 30%.
Rice Crop Condition

Percent of Acreage Rated Good or Excellent

July 8, 2019

The rice crop condition is rated 66% good and excellent as of Sunday, 7/7. This is down 2% from last week and the 10-year average, both 68%; but it is 4% better than last year’s crop. Looking at individual states, four out of six decreased in the top condition categories, which is why the overall U.S. rating went down. Arkansas decreased 1% to 61% G/E; Louisiana also went down 1% to 67% G/E; and Mississippi fell 3 points to 64% G/E. The biggest drop was in Texas, where the condition rating decreased 7 points to 43% G/E. Over half of the crop in Texas, 54%, is currently in the fair range. California still has 100% G/E whereas Missouri also stayed the same as the prior week, but at a low 45% G/E.
As of July 7th, 53% of the U.S. soybean crop was rated to be in either good or excellent condition. This was down 1 point from last week and fell below the average of polled industry expectations, which came in at 56%. Last year, the crop was rated as 71% G/E, and the 10-year average is 64%. Looking at individual states, 9 decreased in the G/E categories, while 6 increased and 3 remained the same. The biggest decreases in soybean crop conditions occurred in North Carolina with a 50% G/E rating, down 8 from the previous week; and in Illinois, where the most soybeans are grown and where the planting progress was record slow this year, with 38% G/E, down 6 points. Tennessee saw the most improvement in the condition rating with 77% of the crop in the G/E categories, up 5 points from last week. Other states with improvements were Kansas (up 1% to 45% G/E), Michigan (+2, 45% G/E), Mississippi (+3, 58% G/E), North Dakota (+2, 69% G/E) and Wisconsin (+3, 64% G/E).
USDA issued its final planting update of the 2019 U.S. soybean crop today. Seeding was shown to have advanced by 4% to reach 96% complete as of Sunday, July 7th. This progress is exactly equal to what was expected by industry analysts before the USDA report was published. Several states are still not over 95% complete, and these are: Illinois (93%), Indiana (93%), Kansas (94%), Kentucky (93%), Missouri (90%) and Ohio (88%). Mostly open weather for the upcoming week should help farmers to finish the 2019 seeding campaign.
According to USDA, the state of the 2019 U.S. spring wheat crop improved by 3% in the Good or Excellent (G/E) categories in the week ending July 7th to reach 78%. This exceeded both Doane’s expectation and the average of published trade guesses, which called for a slight improvement in the week. Of the six reporting states, condition ratings improved in the G/E categories in Montana (+9%), Idaho (+7%) and North Dakota (+1%). Minnesota and South Dakota saw the combined portion of the crop rated G/E unchanged from the previous week while Washington saw an 8-percent-decline in G/E for the week. The national composite reading of 78% is just 2% below 2018 levels and continues to point to above-trend yield potential at this stage in the crop development.
USDA issued its final condition update for the 2019 U.S. winter wheat crop today. The portion of the 2019 U.S. winter wheat crop rated to be in either Good or Excellent (G/E) condition rose one percentage point in the latest week to reach 64% as of Sunday. This was in-line with Doane’s expectation and was slightly above the average of published pre-report guesses. Compared to the last week of June, conditions showed the greatest improvement in the first week of July in South Dakota (+6% G/E), Colorado (+3%) and Kansas (+3%). Ratings dropped the furthest in Idaho (-9%), Montana and Nebraska (-3% each) and Washington (-2%). Crop condition ratings were unchanged in 8 of the 18 reporting states in the latest week. We view the mildly better winter wheat ratings as being somewhat bearish on futures as the 2019 harvest nears the half-way point.
The 2019 U.S. winter wheat harvest advanced 17% in the week ending July 7th to reach 47% complete. This was 2% above the average of trade guesses published by Reuters but fell 5% shy of Doane’s loftier expectation. Noteworthy advances were seen in Kansas (33%), Missouri (27%), Illinois (27%), Oklahoma (23%) and Ohio (22%). Harvest is nearing completion in Arkansas (98%), Oklahoma (95%) and Texas (92%). Compared to the 2018 campaign, the 2019 harvest is the furthest behind in Ohio (-33%), Colorado (-32%), Indiana (-22%) and Kansas (-22%). Harvest is yet to have begun in Washington, South Dakota, Montana, Michigan and Idaho as of Sunday. Forecasts are mostly open for winter wheat harvest to advance this week outside of South Dakota and Nebraska, where rains are forecast to be the greatest in the coming seven days.
The map displays the percent of normal precipitation over the past week. Moisture was mostly focused in the western Corn Belt and was spotty in the southern Plains and eastern Corn Belt. Some of these isolated rains kept winter wheat harvest going in fits and spurts over the week, while mostly dryer conditions were needed to help dry up fields in other areas. Spring wheat areas in northern Montana and North Dakota missed much of the moisture this week and will need additional moisture along with spring wheat areas in the Pacific Northwest to support improved ratings seen this week. Above-average temperatures were also a feature for much of the Midwest, which is reported to have provided summer crops with some better Growing Degree Days the first week of July. This boost in temperatures is helping plants to develop along while also drying out saturated topsoil. All things considered, the weather patterns were mostly favorable for U.S. crops in the first week of July, and this is reflected by mostly higher conditions ratings reported Monday by USDA.
The map above displays Monday’s seven-day rainfall forecast to Monday morning, July 15. The main features in the forecast are favorable drier conditions centered in the eastern Corn Belt along with better moisture forecast for spring wheat. If realized, this forecast would help to promote winter wheat harvest in the eastern Corn Belt, along with aiding any early efforts in the Pacific Northwest. Surplus topsoil ratings remain the greatest in the eastern Corn Belt, which suggests there is more room for improvement in field conditions, as farmers look to seed the remaining 4% of intended soybean plantings this week. The market will look for a more active pattern to develop in the extended forecasts to bring additional showers to growing summer crops across the Midwest in the last half of July.