SOY FUTURES ended the week lower as crop conditions improved 1 point to 54% good to excellent. Far better than expected exports are keeping old crop carryover in check as the U.S.-China trade war and concerns about overall demand remained a negative factor. Interesting note, from 2008-2017 the U.S. has had only two years with a carryout exceeding 205 million bushels, the largest being 302 million in 2016/17. If this years crop produces anywhere close to a 48.5 BPA yield (USDA figure) carryout will be well over 1 billion bushels, which would be price negative.

CORN FUTURES traded most of the week lower despite a bullish weather story with extreme heat forecast for much of the corn belt. The bulk of the Midwest heat should end by Monday bringing cooler temps and chances for rain into the forecast. Weak demand continues to be a drag on prices as the overwhelming South American crop is undercutting U.S. prices by about $.80 bushel. Export sales on the books for 2019/20 are the weakest at this point in several years and call into question the USDA projection of 2.15 billion bushel export forecast.

NEWS AND NOTES - USDA's semi annual report of Dairy World Markets and Trade see's only two, Brazil and India, out of the 44 milk producing countries expanding milk herds this year. With cow numbers expected to remain steady or decline in most of the world's milk producing regions, weather will play an important role in per cow output. Already a late June record setting heat wave in Europe has affected cow output. Germany suffered the hottest June on record. Milk production in the U.S. was already below year earlier levels in May even before heat became a factor. The U.S. milk production fell .04% below 2018 levels. New Zealand milk output in May was 0.1% lower. In nearby Australia ongoing drought and lack of feed have forced many dairy producers out of business.