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By Kim Chipman and Megan Durisin

(Bloomberg) -- Crops from canola to spring wheat climbed as furnace-like heat bakes the northern U.S. and Canadian prairies. Corn and soybeans also rose amid fear of expanding drought. Canola used for cooking oil and making biofuel jumped by the exchange limit while spring wheat, an ingredient in pizza dough and bagels, neared the highest price since 2017. Corn futures jumped more than 5%.

Scorching temperatures and lack of rain in key growing areas are stoking concern that crop conditions are worsening. The gains threaten to drive already elevated food prices higher. Meanwhile, heavy corn and soybean growing regions are currently under flood watch even amid renewed concern that hot, arid conditions could expand deeper into the U.S. Farm Belt. "Talk of warmer and drier July for the U.S. Midwest is setting in, providing support for ag markets," Terry Reilly, senior commodity analyst at Futures International LLC in Chicago, said in a note on Monday.

For hard red spring wheat, drought conditions are expected to "continue to dominate as warm temperatures and minimal precipitation are forecast," industry group U.S. Wheat Associates said Friday in a crop report.

The water deficit could spur a further drop in crop ratings when the U.S. Department of Agriculture updates its weekly condition scores Monday afternoon, Paris-based adviser Agritel said in a note.

Spring wheat in Minneapolis and canola trading on ICE Futures U.S. both rose for a seventh straight trading day, gaining as much as 4.1%.

Corn settled the U.S. trading day up 5.4% at \$5.4725 a bushel amid concerns over a lack of upcoming rains in key growing regions. Soy oil surged as much as 5.6%. The markets had plunged Friday after a U.S. Supreme Court ruling stoked concern that upcoming biofuel policy proposals could crimp demand for the crops used to make "green" liquid fuels.

"Last week's sell-off was overdone, especially on the

Supreme Court ruling,” Arlan Suderman, chief commodities economist at StoneX, said in an email. “The market also took the weekend to assess rainfall over the past 10 days, and found it came up short for much of the northwestern crop belt. That added up to a buying opportunity in the eyes of many traders.”

Soybeans and hard winter wheat both increased almost 4% in Chicago intraday trading.

August hogs jumped by as much as 3%, buoyed by hopes China’s move to replenish pork reserves will translate to more exports of U.S. meat to Asia. American hog futures had dropped last week to the lowest levels since April, in part on worries that pork exports to China were set to fall as the herd there recovered.

In other markets, arabica-coffee rose for the second day in a row on ICE Futures U.S. in New York amid a forecast for freezing temperatures in some Brazilian growing areas, according to weather forecaster Somar Meteorologia.

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