



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, LaVell Winsor
866 341 6700**

www.loewenassociates.com

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Morning Ag Markets

Pete Loewen

August wasn't a very good month for the meat complex as a whole and especially for the hog market, but Friday's trade in particular left a nice parting gift for the bulls. Hogs were up just shy of \$3.00 on the front month at the close and live and feeder futures were up over \$1.00 on some contracts and \$2.00+ on some of the deferred feeders.

Cash trade and product market action showed nice gains as well. Texas and Kansas feedlot sales were up \$3 from the previous week at \$155-\$156. The dressed trade in Nebraska was in the \$245 range. Cash hog trade versus the Ia-S.Mn quote spent every single day of August at lower money until Friday. They were quoted up \$2.00 on Friday after falling \$28.96 since the first day of the month. I'm not calling that a trend changer though- just chalking it up to the old adage that if you drop a dead cat far enough, it will in fact bounce.

Not to be outdone by the hogs, select beef cutouts were lower on every single quote but one during the month and choice was quoted higher 3 times in 21 business days, the rest were lower.

Cattle slg. ___ 114k fri wtd 584,000 -6k wa -49k ya
Choice Cutout ___ 246.30 -.59
Select Cutout ___ 234.39 -.88
Feeder Index: ___ 218.51 +.28
Lean Index. ___ 97.56 -1.30
Pork cutout ___ 101.72 +1.10
IA-S.MN direct avg ___ 92.60 +2.00
Hog slg. ___ 330k fri wtd 1.979 mln -12k wa -29k ya

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Weekly closes in the meats had October live cattle up 4.42, December up 4.10, September feeders were up 7.75, January up 7.02 and October lean hogs were up 5.25.

Monthly closes had October live cattle down 5.90, September feeders down 2.55 and October lean hogs down 5.05.

Heading into a three day weekend in the grains usually carries some volatility potential going out and coming back both. However, Friday's settlement was just mildly lower across nearly everything except the front month beans that shot higher against the trend of the rest of the contracts.

Weekly closes in the grains had Dec corn down 6 $\frac{3}{4}$, November soybeans down 17 $\frac{3}{4}$, December KC Wheat down 1 $\frac{1}{4}$ and new crop July up 2 cents. For the month, Dec corn settled 2 $\frac{1}{2}$ lower, Nov beans down 57 $\frac{3}{4}$ and Dec KC Wheat up 3 $\frac{3}{4}$.

Grain market focus as we roll into September here will be weather and yield oriented. Over the weekend the central and western Corn Belt got a great shot of rain. Actually, in looking at the 7 day cumulative map, the only area of major corn and bean production that was left out was NE Indiana and NW Ohio. The rest looks to have received anywhere from $\frac{3}{4}$ to 2+ inch totals.

6-10's have above normal temps central and south, but a cold shot of air over the northern High Plains. Precip is normal to above normal over most areas in that forecast.

Southern and Delta harvest reports continue to come in with some extremely good numbers on both corn and soybeans. There are a few areas that will occasionally show a normal or below average report, but the vast majority have been stellar numbers. In my opinion, that is going to remain the common theme.

Pete Loewen

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www.loewenassociates.com

peteloewen@cox.net

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