



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Futures played a little reversal yesterday with livestock up during the morning and down in the afternoon while grains struggled in the morning trade but came back higher. Feeders led the livestock futures yesterday with the midday turnaround as a lack of follow through buying turned them sharply lower. Fundamentally not much has changed with mixed cash feeder and calf trade so far this week and cash feedlot trade yet to take place. Boxed beef cutouts were down over \$2 yesterday though as we enter the Labor Day holiday trading period.

Cattle slaughter from Tuesday estimated at 115,000 head, down 1,000 from last week and down 10,000 from a year ago.

Boxed beef cutouts sharply lower on light demand.

Choice Cutout__252.91 -2.19

Select Cutout__243.91 -2.66

Feeder Index:__220.11 -.64

Hog slaughter from Tuesday estimated at 407,000 head down 1,000 from a week ago and down 25,000 from a year ago.

Lean Index.__108.33 -1.79,

Pork carcass cutout__109.66 -1.36

IA-S.MN direct avg__99.54 -2.31

National cash avg__99.41 -2.09

Overnight pressure continued on the livestock futures with feeders down triple digits again. Cash calls still lower for cattle and hogs for the remainder of the week.

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Moving on to the grains,

Corn and beans reversed direction during the day but new crop soybeans still couldn't climb out of the red. Wheat was the leader up double digits at one time with Ukraine's prime minister telling a farmer group that an estimated 15% of this year's wheat will be lost due to the current conflict areas and the annexation of Crimea. He later clarified his statement saying that 15% of the wheat crop area had been affected by fighting with rebels. Domestic millers there are calling for a halt on exports until more testing can be done to determine if there will be even enough milling quality wheat to meet their needs. Russian wheat is currently offered at a \$5 discount and so far it does not appear Russia or Romania will be impacted with mass amounts of lower quality wheat. Vomotoxin is evident now in a growing area of US spring wheat and Canadian. This will continue to push basis levels domestically for milling quality wheat.

The 2nd day wrapped up for the Pro Farmer crop tour with Indiana corn yield at 185.0 bpa. vs. last year's tour estimate of 167.3 bpa. and the three year tour average of 141.1 bpa. Soybean pod count came in at 1,220 pods per square yard vs. 1,185 last year and compares to the average of 1,118. The tour estimated Nebraska corn at 163.7 bpa. vs. last year's estimate of 154.9 bpa. and compares to the three year tour average of 146.8 bpa. Nebraska soybean pod count came in at 1,103 per square yard vs. last year's 1,138 and compares to the three year average of 1,106.

Overnight corn and soybeans were under pressure finishing 3 to 4 lower. Wheat finished mixed to mostly 2 higher.

Topflight Grain, a large coop in central IL announced their annual crop tour results yesterday with a corn yield at 210 bpa vs 178 bpa last year. If central IL is 210 or better for final yield, the IL state average could be near 200 and nationally we could approach 170 bpa.

USDA announced this morning a private sale of 110,000 MT of new crop soybeans sold to Vietnam.

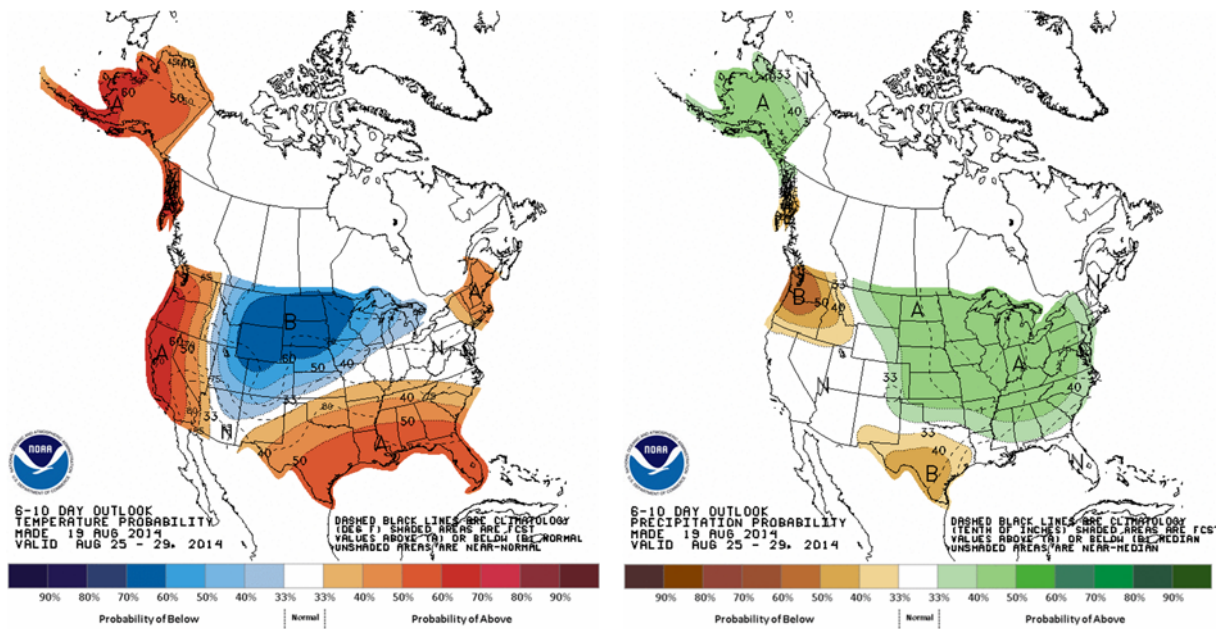
December Corn is still range bound over this past month and currently sitting right in the middle with a high at 3.81 and a low at 3.58. November soybeans have a down trending triangle since early July. So far this week, daily ranges

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have been very small. Last Friday's high at 10.69 is the first line of resistance with last week's low the support at 10.38 ³/₄. Wheat charts look like corn with range bound trade recently but prices are near the top of those ranges.

The 6-10 day maps have normal to below normal temps for the North and into the Corn Belt with above normal temps forecasted for the West Coast and Southeastern states. Precipitation is forecasted normal to above for the entire US except for the PNW and South Texas.



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