



**Loewen and Associates, Inc.**  
**Commodity Consulting/Brokerage**  
Pete Loewen, Matt Hines,  
Doug Biswell, LaVell Winsor  
866 341 6700  
[www.loewenassociates.com](http://www.loewenassociates.com)

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## **Morning Ag Markets**

### Pete Loewen

Flat, mixed and uneventful pretty much sums up the meat complex trade from Monday. Not very often these days do we get to see live and feeder cattle futures without a single contract having more than a 50 cent net change, but that was the case yesterday.

With cash feedlot trade under mild pressure last week, but the volume being fairly thin, the trade isn't getting much direction from that activity. Calf and feeder cattle trade was still red hot though, but yet feeders didn't show any bullish spunk yesterday. There is definitely some divergence building on the cash end, but not on futures. Cash feedlot trade was mildly lower, product was actively lower and the feeder and calf trade is higher still. In the big picture, I'm still friendly to the feeder side in the intermediate term from Corn Belt farmer/feeder demand as well as wheat and rye pasture demand on the lighter side. From the live side though the short term picture is getting tougher with a larger showlist this week and a hog market that seasonally should be headed for tougher times yet.

Cattle slg. \_\_\_ 115,000 unch wa -4k ya  
Choice Cutout \_\_\_ 249.02 -.91  
Select Cutout \_\_\_ 233.28 -1.26  
Feeder Index: \_\_\_ 230.04 +2.30  
Lean Index. \_\_\_ 102.26 +.92  
Pork cutout \_\_\_ 108.85 +2.28  
IA-S.MN direct avg \_\_\_ 103.74 +.75  
Hog slg. \_\_\_ 404,000 +4k wa -28k ya

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Moving on to the grains, I was very surprised to walk in here yesterday morning to find corn and beans lower in the overnight action after reading and hearing about all the frost and freeze stories in scattered areas around the Plains and Corn Belt. Those markets did end up catching a bid and moving from red ink to green on the screen as the day session trade developed, but I still think that left a lot of confusion with frost damage showing up as to why there was any lower trade in the first place.

The fall crop markets caught a little more bid last night and this time spilled over into the wheat with everything finishing higher. Some of the strength was probably coming from the weather from last weekend, but a little more was added by the FSA acreage data this morning. I'm not going to go into great detail about the FSA data, other than hitting on the big picture items, because in the really big picture we should all know that the USDA/NASS data won't be the same as the FSA numbers, no different than it wasn't close to the same last year either. In a nutshell though, Prevent Planted numbers increased slightly in corn and beans from last month's data, but corn and bean acre enrollments increased as well. A lot of people are still trying to make a big deal out of the discrepancy between the June final numbers and these FSA numbers, but don't try to outguess or overanalyze it because in the end it still isn't going to make sense.

Crop progress and condition data that came out yesterday afternoon showed 27% of the nation's corn crop mature compared to 39 on average and 20 last year. Only 4% of the corn is harvested and that number is unchanged from last year and 5 points below normal. Condition ratings were unchanged in corn at 74% g/ex and 7% p/vp. Soybean ratings were unchanged as well at 72% g/ex and 6% p/vp. We'll see how that changes next week when the frost damage from the weekend works its way into the mix. Normally this time of year the ratings in both corn and beans are declining anyway because the aesthetics of the plants are deteriorating as the crops begin to mature turning from green to brown. This year that obviously hasn't been the case.

**Pete Loewen**

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[www.loewenassociates.com](http://www.loewenassociates.com)

[peteloewen@cox.net](mailto:peteloewen@cox.net)

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