



## **Loewen and Associates**

**Commodity Consulting/Brokerage**

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### **Morning Ag Markets**

#### **Matt Hines**

Livestock and grain futures were all stronger to end the week. Livestock futures were up every day last week actually. Feeders broke into new contract highs Friday and fats are within a \$1. The combination of strong cash market gains, aggressive boxed beef support and renewed commercial interest helped test the daily trading limits for live cattle and lean hog futures. Cash feedlot trade was reported at \$5-\$8 higher than a week ago. Very light trade on Wednesday at higher money was followed by increased trade on Thursday at higher money and then even better prices on Friday. However, last week's volume was much lower than recent weeks. This lack of volume helped push packers higher through the week and means either we have backlogged some for this week or numbers are just this tight.

For the week, October live cattle finished up \$8.32, September feeders up \$7.07 and October lean hogs up \$7.50.

Cattle slaughter from Friday estimated at 116,000 head, up 2,000 from a week ago but down 7,000 from a year ago. For the week, 518,000 head down 66,000 from last week with the holiday shortened week and down 57,000 from a year ago. Our year to date difference out to 7.1% less.

Boxed beef cutouts firm to higher on moderate demand

Choice Cutout\_\_248.67 +.55

Select Cutout\_\_236.25 +1.56

Feeder Index:\_\_224.28 +1.37

Hog slaughter from Friday estimated at 410,000 head, up 80,000 from a week ago but down 18,000 from a year ago. For the week, again with no kill on Monday, 1,780,000 head, down 199,000 from the week previous and down 203,000 from a year ago. Year to date difference out to 5.3% less now.

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Lean Index. \_\_95.80 +.35  
Pork carcass cutout \_\_103.16 -.32  
IA-S.MN direct avg \_\_98.71 +1.68

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Over in the grains, weather forecasts had the most influence even with higher than expected yields continuing to come in from the southern states. The models were mixed heading into Friday but during the day they started to align calling for frost or freezing temps for parts of the Dakotas, MN and WI by Friday and possibly Iowa come Saturday. November soybeans have held above the \$10 barrier so far, bouncing off \$10.01 and \$10.02 the past two sessions.

Export sales were delayed until Friday due to markets and offices closed on Labor Day. Corn sales were neutral with a reduction of 7,500 MT old crop and 525,600 MT sold for new crop. Old crop soybean sales were reduced by 87,700 MT but new crop sales were decent at 869,000 MT and 177,500 MT of meal. Wheat sales were disappointing at 168,800 MT.

For the week, December corn finished down \$.08 <sup>3</sup>/<sub>4</sub>, November soybeans down \$.02 <sup>3</sup>/<sub>4</sub>, December KC wheat down \$.14 <sup>1</sup>/<sub>4</sub>, and December Chicago wheat down \$.28 <sup>1</sup>/<sub>4</sub>.

Overnight grains were back lower as the extended forecasts are not quite as cold as initially reported late last week. Corn finished 5 to 6 lower, soybeans 6 to 7 lower and wheat finished 7 to 9 lower.

There wasn't much for breaking news over the weekend or this morning besides continued good yield reports. The Delta continues to see corn yields ranging from 165-200 bpa and soybeans topping 80-90 bpa. Illinois corn yields are above expectations as well with some 230 to 250+ bpa reported over the weekend.

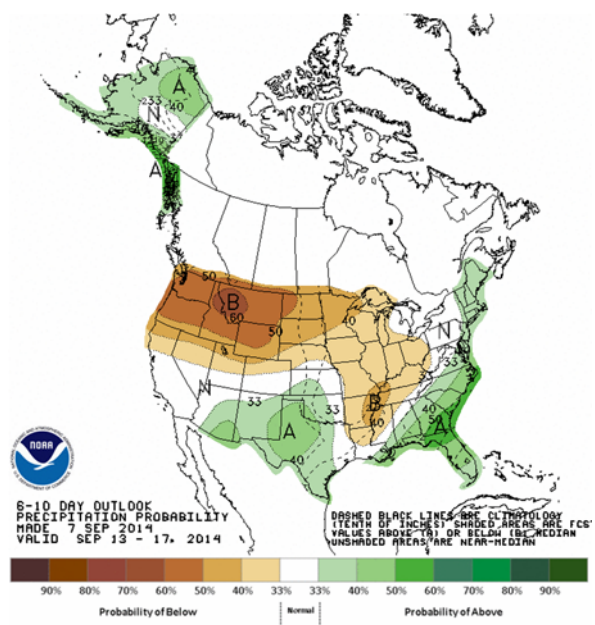
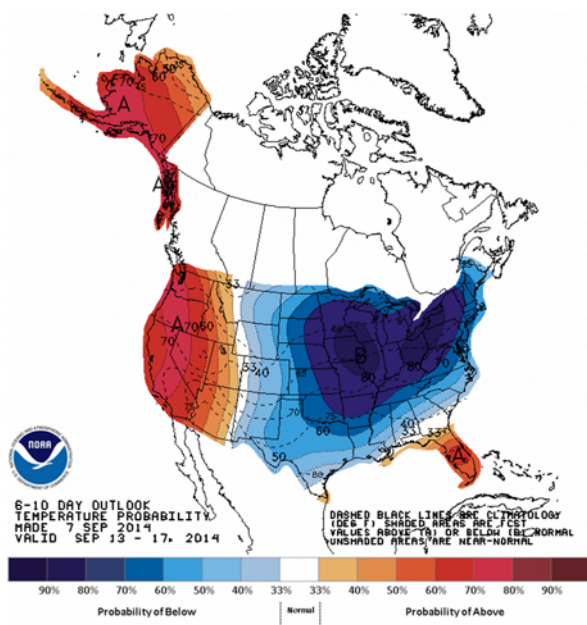
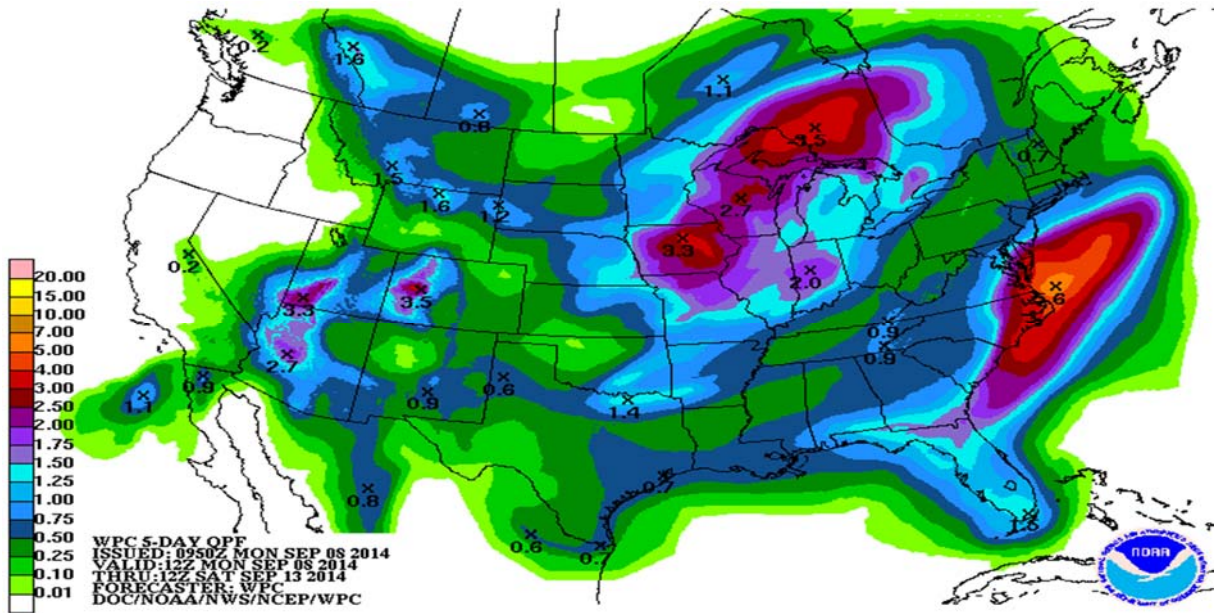
This week should be relatively quiet as we assess the new weather models and square positions ahead of Thursday's crop report. Heading into the report the average trade guess show an increase in all ending stocks. Corn yield to 170.7 producing a 14.2 BBU crop and soybean yield at 46.2 producing 3.88 BBU.

December corn now as support at \$3.35 and resistance at \$3.60. As stated earlier, November soybeans hit a new contract low again this past week and

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support now at \$10.00. December Chicago wheat has support at \$5.25 and resistance at \$5.42 while December KC has support at \$6.18 and resistance at \$6.35.



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