



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cattle futures pulled back some from early triple digit gains. Boxed beef values continue to climb which was most of the reason for the spike higher to the new record \$170 cash feedlot trade last week. The quick pull back yesterday morning could cause some concern as we move forward though. Both October and December live cattle contracts have yet to break through \$170 while nearby feeders are stuck trading between \$237 and \$241. Showlists so far look like a few more cattle in Texas, Colorado and Nebraska and steady for Kansas. Calls right now are steady to higher for cash feedlot trade.

Cattle slaughter from Monday estimated at 113,000 head up 1,000 from a week ago but down 10,000 from a year ago.

Boxed beef cutout values finished higher to sharply higher on moderate demand and light offerings.

Choice Cutout__249.20 +1.79

Select Cutout__235.99 +3.28

Feeder Index:__238.20 -1.35

Hog slaughter from Monday estimated at 432,000 head, up 3,000 from a week ago and up 1,000 from a year ago.

Lean Index.__98.40 -1.95

Pork carcass cutout__100.11 +1.86

IA-S.MN direct avg__88.45 +.72

Over in the grains, soybeans and soybean meal led the grains higher again yesterday. Export inspections were higher than expected for soybeans at 2.195 MMT and over 80% shipped to China. Wheat shipments were not impressive at

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212,575 MT and corn at 702,906 MT were well below expectations of 900,000 MT.

Corn harvest picked up 7% this past week to advance to 46% complete was in line with expectations but still behind with the 5 year average at 65%. Soybean harvest advanced 17% to 70% complete and more in line compared to 76% complete. Winter wheat conditions reported nationally for the first time this fall at 59% good to excellent and only 7% poor to very poor. This is a very good start for wheat and just behind last year's 61% good to excellent start. 84% of the crop is now planted right in line with last year and historical pace. Emergence is actually a little ahead at 67% compared to 63% last year and the 62% 5-year average.

Overnight, soybeans and meal were the leaders again with beans up 13 to 15 and December meal up \$13/T. Corn and wheat along for the ride finishing up 5 to 7.

The record short fund position in soybeans has now been cut in half and funds are now long meal and corn while still very short in wheat. December soybean meal was at \$295/T back on October 1st and reached up to \$399.8/T overnight.

Brazil's soybean harvest is still behind with most calling it 12% to 16% complete compared to 26% to 34% last year and historically.

Taiwan purchased 41,250 MT of US milling wheat for shipment in December while the United Kingdom sold 25,000 MT of feed wheat to the US to arrive in Wilmington on November 4th.

Weather remains very good for fall harvest with some light 1/2" to 1" rains possibly late in the weekend into early next week. The 6-10 day maps show normal precipitation here in the plains with above normal for the Corn Belt. Temperatures though well above normal for all expect California, Nevada and the East Coast.

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