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Meat complex trade settled back into steady, flat and mixed trade based on the closing prices, but the range of trade in the cattle at least was broad. Hogs were quiet overall, settling lower on all but one contract.

In the live and feeder cattle trade, most of the day was spent at higher money before late selling brought prices back to mixed to mostly lower. Both markets saw triple digit gains before breaking down and considering there still hadn't been any notable cash trade at the feedlot level all week, the psychology of buyers and sellers rode a see-saw yesterday between optimism and pessimism based on what time of day they were looking at the quote screen and whether it was up strong or showing red ink.

Product trade continues to inch higher this week, which is friendly, but the avg carcass weight data and export sales numbers were still providing a lot of bearish undertone. For the week ending July 18, beef carcass weights were 19 lbs over year ago levels with steers 15 lbs over and heifers 12 lbs higher. Export sales data in the weekly release yesterday morning showed net beef sales down 39% from the previous week and 46% under the 4-week average. That's another reason I'm not overly optimistic to beef demand yet.

Cattle slg.____107,000 -2k wa -7k ya
Choice Cutout__233.34 +.74
Select Cutout__229.32 +.25
Feeder Index:___215.78 +.89
Lean Index.___78.51 +.18
Pork cutout___86.23 +.26
Hog slg.____425,000 +7k wa +26k ya

Grain and oilseed trade yesterday showed a distinct separation between fall crops and the wheat market. Corn and beans held mild gains most of the day and into the close, while wheat struggled, spending most of the day in the red. Part of the weakness in wheat may have been

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linked to the spring wheat tour numbers that had been coming in all week in their samples at levels well above previous years. The final tally last night pegged the yield at 49.9 bu/ac compared to 48.6 last year and a 5 year average at 45.2. That 49.9 is a record for the tour. Ironically though, that information came out yesterday afternoon and the overnight trade in wheat managed to stay on the plus side most of the session into this morning's close.

6-10 day forecasts last night showed above normal precip for the central and northern Plains as well as the entire Corn Belt. From the southern ½ of Oklahoma to the south the precip forecast was below normal. Temperatures were pegged at above normal for most of Kansas on south and extending east to west. Below normal temps were pegged for most of the central and northern Corn Belt and Plains.

Next week both Informa and FC Stone will release their August crop production guesses and we'll also be in the beginning of crop tour season. I'm guessing those crop tours will have the internet blazing with stories of average to below yield guesses from Missouri east and giant crops from Iowa north, which creates an interesting balancing act for trade reaction from those in the field reports. Keep in mind, August USDA numbers are the first actual surveyed from the field data coming from NASS enumerators, so that's a BIG report for the fall crop markets.

8:00 am export reporting had a wide range of business going on with 126,900 mt's of wheat sold to unknown destination. 108,204 mt's of corn was reported sold to Mexico. Plus, there was a 200,000 mt old crop soybean cancellation by China. Overall that news is friendly corn and wheat and a little negative for old crop soybean prices.

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