



**Loewen and Associates, Inc.**

**Commodity Consulting/Brokerage**

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Live cattle futures managed to rally nicely into the close yesterday as packers pushed negotiated cash bids higher throughout the day. Packer bids AND the actual scattering of trade that has developed at times have been all over the place, from lower earlier in the week, to higher yesterday. Futures started solidly lower in both the live and feeder markets. At the close, the only contracts trading lower still were the front two months in feeders. Everything else was higher.

COF numbers come out this afternoon and there are some very broad ranges in the guesses for both the On Feed and the Placement numbers. Marketings are expected to be disappointing. The average guess for marketings in the month of July are from 96.4% to 97.9% of a year ago. Placements are pegged in a range from 94% up to 105.2% of a year ago during July. The August 1 On Feed total has a range of estimates from 100.6% up to 103.5%. The average for all the guesses in the report have the On Feed total at 102.7%, placements 101% and marketings 97%.

USDA slaughter and red meat production figures came out for the month of July recently. Commercial red meat production in July was up 3% from a year ago with beef down 2% and pork up 10%. Year to date total red meat production is up 1% from 2014. For the year so far, total beef production is down 4% and pork is up 7%. Live animal slaughter weights in July showed hogs down 3 pounds from last year and cattle up 26 pounds from a year ago. As a general overview, cattle kills are still running well below 2014 levels, but weight are towering over year ago numbers taking total beef production much closer to year ago levels. Hogs on the other hand have kills that are towering over year ago levels, but weights have been below last year's levels, leading to the opposite effect of what's happening in the beef. The big picture item though is that total red meat production is still 1% larger than last year and next year's production will be even larger with active expansion attempts going on in cattle numbers.

Cattle slg. \_\_\_107,000 -2k wa -9k ya

Choice Cutout \_\_246.46 -.32

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Select Cutout\_\_\_235.58 -.86

Feeder Index:\_\_\_215.97 -.75

Lean Index.\_\_79.09 +.17

Pork cutout\_\_\_87.30 -.97

IA-S.MN direct avg\_\_

Hog slg.\_\_427,000 unch wa +21k ya

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In the grains, the export sales data yesterday morning was pretty much a non-event as traders focused on crop tour numbers and what the outside markets and general money flow and funds were doing. Export sales were disappointing in corn at 11.1 mln, zero in milo, friendly in beans at 1.7 mln old and bearish wheat at 11.7 mln bushels. Wheat finished higher in the face of those numbers. Beans got a really nice bounce, which was good considering they had been under pressure most of the week. Corn continued its theme of mild gains based on thoughts the crop tour was going to come in below USDA numbers in their final release this afternoon.

Minnesota tour stops averaged 190.8 bpa versus USDA's current 184. The Iowa final tally was 180.2 versus where USDA is at which is 183.

6-10 day forecasts last night showed above normal temps for the Plains, central and western Corn Belt, with a small area of the eastern Belt at below normal. The previous day was above normal temps everywhere. Precip was above normal in the far northern Plains and below central and south. After this brief cool down, it looks like summer will be back on track by early next week based on these forecasts.

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