



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Lean hogs were the leader higher yesterday while cattle futures were mixed to lower throughout the day. Most are expecting at least some cash feedlot trade this week with last week's so light in most areas it was hard to even call the market. Beef prices higher continue to support the market.

Oklahoma National Stockyards, Oklahoma City, OK - Compared to last week: Feeder steers 1.00-5.00 lower. Feeder heifers sold steady in a limited test. Steer and heifer calves sold steady to 5.00 lower. Demand for yearlings and weaned calves remains good. Demand for un-weaned calves remains limited, as a cold front is forecasted to bring rain and drop temperatures by 20 degrees on Wednesday and then warm back up to the upper 80's by Friday.

Carthage - Joplin Regional Stockyards - Compared to last week, steers steady to 5.00 lower, heifers under 450 lbs 8.00-20.00 higher, over 450 lbs steady to 5.00 lower.

Cattle slaughter from Monday estimated at 108,000 head, up 1,000 from a week ago even compared to a year ago.

Boxed beef cutout values higher on moderate to fairly good demand and moderate offerings.

Choice Cutout__245.52 +.80

Select Cutout__236.39 +.95

Feeder Index:__216.50 -.21

Hog slaughter from Monday estimated at 428,000 head, up 2,000 from a week ago and up 20,000 from a year ago.

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Lean Index. __78.70 +.17
Pork carcass cutout __89.57 +.21
IA-S.MN direct avg __76.82 -.59
National Average __75.57 +.09

Both September feeders and October live cattle extended the down trend yesterday with resistance at the 10-day moving average, \$210.35 and \$148.12 and recent lows the support at \$205.85 and \$143.30 respectively. October lean hogs made a run at the \$62 support area early last week and since have rallied some \$4. Resistance is seen in the mid \$67 area and again at the 100-day moving average at \$68.40.

Over in the grains, with all the fresh fundamental news you would have thought the markets would have been active but after FSA acreage, export inspections and a NOPA crush report grains traded both sides of unchanged and didn't finish too far from it. Wheat was the loss leader but at least contract lows held.

Grains inspected for export for the week ending August 13th were above expectations with corn and soybeans still declining though heading into the end of this crop year. Soybean shipments totaled 13.8 MBU, corn totaled 35.0 MBU and wheat 20.6 MBU.

NOPA July crush report blew past the 141.4 MBU expectations at 145.3 MBU crushed domestically vs. 142.4 MBU in June and 119.6 MBU last July. This is the 5th consecutive monthly record. Down time has been slashed with this total near full capacity due to very good profit margins for soybean plants this entire year.

Crop Progress and Conditions – 8/17/15

US corn in the dough stage at 71%, 50% last week, 68% last year and 66% 5-year average. Corn dented at 21% compared to 9% last week, 20% a year ago and 28% 5-year average. Conditions down a point to 69% good to excellent and 10% poor to very poor.

US soybeans blooming at 93%, 88% last week, 95% last year and 5-year average. Soybeans setting pods at 79%, 69% last week, 81% last year and 79% 5-year average. Conditions left unchanged at 63% good to excellent and 11% poor to very poor.

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US grain sorghum headed at 83% compared to 72% last week, 74% last year and 75% 5-year average. Grain sorghum coloring at 39%, 32% last week, 43% last year and 38% 5-year average. Conditions improved by 1% to now 68% good to excellent and 7% poor to very poor.

Spring wheat harvest is now 53% complete compared to 28% last week, 15% a year ago and 31% 5-year average.

Overnight, grains sliding lower with rains in the forecast throughout the Midwest. Soybeans lead the way finishing 7 to 8 lower, corn 1 lower and wheat 1 to 3 lower.

The week long, highly publicized Pro Farmer crop tour kicked off yesterday. The Western leg reported South Dakota average corn yield at 165.94 BPA compared to last year's 152.7 and Eastern reported Ohio at 148.37 BPA compared to 182.1 a year ago. Nebraska, Illinois and Indiana will be covered today. This year is a tale of two crops with the Western Corn Belt the garden spot and the East hurt by too much rain early and needing moisture the past couple weeks. Soybean pod counts were in line with last year's findings.

Forecasts are still showing widespread rain over the next 7 days. The 6-10 day maps show mostly normal precipitation, below though centered over the Rockies and into the Northern Plains with below normal temperatures centered on Iowa & Missouri.

On the charts, grains still looking for support while pressured by decent weather forecasts. December corn contract low is at \$3.57 ½, September KC wheat is at \$4.69 ¼ and September MPLS at \$5.05 ¼. September Chicago wheat contract low is still some \$.30 away. December corn has resistance at \$3.80, \$3.93 and \$4. September KC and Chicago wheat look to trade ranges of \$4.75 to \$5 and \$4.80 to \$5.20 respectively. November soybeans were not able to reach a new contract low last Wednesday due to trading limits but \$9.01 ½ was hit and the \$9.00 to \$8.95 support remains in place with \$9.40 the area of resistance.

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