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The volatility in the meat complex continued on Wednesday as live and feeder cattle traded actively on both sides of unchanged. The close in cattle was lower on the front end of the fats and higher on the deferreds. Feeders were higher across the board with some closes in the triple digits up. There was also some reversal action in the strong inversion feeders have been going through lately. Most days and back months lose ground to the front months, whether the market is going up or down and that trend has been going on for several months. Yesterday the back months all closed in the triple digits up and the gains were progressively weaker as the months got closer to the spot contract.

Hogs continued to roll strongly higher. The technical picture in hogs looks really good at the moment, which is a big help in encouraging both large and small speculative play from the long side. Cash on the other hand has been weak, which may make significant gains in futures from this point forward a hard fought battle with cash moving counter to board prices.

Outside markets yesterday were all over the place with energies a lot lower early on, but higher by afternoon. Equity markets did the same.

Cattle slg.___109,000 +1k wa -9k ya

Choice Cutout__240.97 -.24

Select Cutout___229.03 -1.41

Feeder Index:___207.12 +.10

Lean Index.__76.88 -.35

Pork cutout___85.94 -.23

IA-S.MN direct avg__69.38 -1.32

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Hog slg.___428,000 +2k wa   +14k ya

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Grains continued along their path of least resistance, which these days has been decisively lower more often than not. At one point the soybean market was down in the double digits, but closed much closer to unchanged. It actually was unchanged on new crop. The soybean charts have been consolidating for the last week and a half, hovering not too far above contract low territory. Corn charts have been in a downtrend for two weeks, but still remain above the contract lows made on the day of the last crop production report. KC wheat sets new contract lows about every other day, unable to find anything friendly on the fundamental side to spur buying. There has been some chatter lately about the potential for reduced winter wheat seeding intentions. That has yet to gain much traction, but the argument has merit based on terrible new crop price levels versus cost of production. In some areas there aren't many other choices other than wheat, but in others there is definitely a lot of flex possibility out of wheat and into other crops. The problem is, those other crops are suffering from low prices to a large degree as well.

6-10 day forecasts last night were cool in the far northern Plains, normal in a line from Minnesota down through Colorado and above normal everywhere else. Precip was normal in the far north and above normal everywhere else through the Corn Belt, Central and Southern Plains.

Export sales data this morning had what I would consider a bearish undertone across the board. Wheat sales were pitiful at 10.2 mln bushels. Corn squeaked out a 4.4 mln old crop total and 12.9 mln new crop. The old crop number technically wasn't bad, but the new crop total was dismal.   Soybeans showed negative 2.2 mln old crop from continued old to new crop switching. New crop beans sales were good at 56.3 mln. Milo sales were negative 100,000 bushels old crop and 2.2 mln new. These sales are representative of last week's business. Since Monday this week was still August and September 1 is the beginning of the new marketing year in corn and soybeans, there is still one week of old crop data to log in next week's report numbers.

8:00 am export sales numbers showed 110k tonnes of new crop beans sold to China and 773k tonnes of new crop beans sold to unknown destination.

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