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The start of the week brought a lot quieter trade to the meat complex. Live cattle futures settled mild to moderately higher in everything, feeders were down mildly on the front two months and up a little on the back end. Hogs were down on the front four and up on all the rest.

The beginning of the day in cattle was lower with some negative repercussions from last week's disappointing cash trade, as well as the inability to find any real friendliness in the product trade either. Negotiated cash feedlot trade was down \$3.00-\$3.50 in Nebraska and Kansas on Friday. Choice boxed beef has been lower eight of the 9 business days this month. Select has been down seven out of nine. Both quotes have also lost in the vicinity of \$6-\$7 though those 9 sessions.

With the last major grilling holiday now behind us with the passing of Labor Day, the inability of beef to show any real sign of life as grocers and the HRI trade restock after the holiday is a discouraging factor. Also a little discouraging is the fact the pork product hasn't moved much over the same timeframe. It's definitely a lot easier to be friendly pork than beef though with a strong competitive price advantage to the much cheaper pork.

Cattle slg. ___113,000 -1k ya (last Monday was a holiday)
Choice Cutout__235.14 -.95
Select Cutout__225.69 -1.04
Feeder Index:___205.33 +.15
Lean Index.___71.94 -.76
Pork cutout___84.80 +.14
IA-S.MN direct avg__66.44 +.39
Hog slg. ___430,000 +27k ya

In the grains and oilseed trade, everything closed on a positive note except the front month soybeans that expired on their last day of trade at lower money. Yesterday was the last trading

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day for September contracts, so for corn and soybeans that means the new crop Dec Corn and Nov Beans are now the spot months, along with December in the wheat contracts.

Wheat futures enjoyed double digit gains, but I'm not chalking any of it up to bullishness in the fundamentals. In fact there was nothing overly bullish in last Friday's crop production and S&D numbers. Corn and wheat in particular posted nice bullish key reversals on the charts following that report. Actually, I think what happened in wheat yesterday, as well as to some extent corn had far more to do with follow through technical buying than anything else.

6-10 day forecasts last night showed above normal temperatures across most of the US, along with below normal precip to the north. Normal precip was on tap in basically a straight east/west line through Central Kansas out to both coasts. Above normal precip was pegged for the southern Plains and over all of Oklahoma and Texas wheat country.

Crop progress and condition data released yesterday afternoon had the first nationwide corn harvest number reported. Soybeans still aren't being listed. Corn harvest was listed at 5% complete versus 9 on average for this time of year. Illinois was 6% done, Kansas 11%, Missouri 14% and the bulk of rest of the progress in southern states.

Expectations were for corn and soybean condition ratings to drop 1% from the previous week. Corn ratings were unchanged at 68% g/ex. Soybean conditions did drop with g/ex ratings coming down 2 points to 61%. Excellent got 1 point better, good dropped 3 points, fair picked one up and poor picked one up as well. Compared to year ago figures, corn and bean ratings are both lower, but compared to longer term averages they are both higher. Milo conditions dropped 1 point yesterday to 66% g/ex. Spring wheat harvest is now 97% complete and winter wheat seedings are at 9% which is right at the average for this date.

Big picture analysis of the three markets still has me bearish wheat with adequate world supplies and big US stocks projections, plus we're still way overpriced in the world export trade. Corn and soybeans on the domestic side look neutral to mildly friendly, but holding a lot of uncertainty yet over this year's crop size. The world picture in beans is really bearish though, so it's hard for me to get too overly excited about bean prices over the long haul.

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