



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

#### **Matt Hines**

Yesterday was a higher trading day for the grains but mixed for livestock. All seem comfortable on the cattle side just keeping at par with futures trading both sides of unchanged throughout the day. USDA reported a major paying \$140 live in Iowa on Wednesday which is still some heavy cattle to clean up in the North. Some cash cattle trade surfaced Thursday with sales in Kansas at \$142 on steers; in Nebraska \$222.00 on steers and heifers; in Iowa \$218-\$222 on steers and heifers. All would be steady to \$2 lower for the bulk of the trade per region compared to a week ago but trade volumes were also fairly small so far this week.

Cattle slaughter from Thursday estimated at 114,000 head, up 3,000 from a week ago but down 2,000 compared to a year ago.

Boxed beef cutout values weak on light to moderate demand and moderate offerings.

Choice Cutout\_\_239.06 -.41

Select Cutout\_\_228.10 -.60

Feeder Index:\_\_205.54 -.17

Hog slaughter from Thursday estimated at 434,000 head, up 7,000 from a week ago and up 23,000 from a year ago.

Lean Index.\_\_73.08 -.84

Pork carcass cutout\_\_84.40 -1.41

IA-S.MN direct avg\_\_66.93 -.03

National Average\_\_66.52 +.11

It would be a victory to hold weekly gains. September feeders have support at \$202 and bumped their heads on resistance at \$205. The 10-day moving

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average at \$142.37 is the support for October live cattle with resistance at \$144.50. Pork prices and cash hogs have been slipping the past week with futures choppy sideways. October lean hogs seem range bound for the time being between \$63 and \$65.

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Over in the grains, prices didn't stray to far from unchanged as we await the USDA crop report later this morning. Early harvest reports continue to roll in with most at expectations or a little disappointed but recent rains are shutting most down. I did just take a small tour of central Illinois earlier this week and heard quite a few concerned with stalk quality on their corn and witnessed soybeans not just maturing but burnt up, actually burnt from top down. I will say that my opinion of corn and soybean yields there have come down just a bit. In saying that though, my yields were already below USDA in many parts of the Corn Belt before the trip as well.

Overnight, grains were mixed awaiting the 11 am USDA report. Corn finished steady to 1 higher, soybeans 2 to 3 higher and wheat steady to 1 lower.

Export sales were released this morning and within expectations...

Soybeans 14/15 at 57,900 MT, 15/16 at 1.79 MMT, expected 1.5 to 1.8 MMT  
 Corn 14/15 at -146,900 MT, 15/16 at 411,200 MT, expected 350,000 to 500,000 MT  
 Wheat 15/16 at 290,400 MT, 16/17 at 7,500 MT, expected 250,000 to 300,000 MT

**CROP REPORT ESTIMATES: Provided by Bloomberg**

USDA	U.S. Forecasts		Prior	
	Average	Range	Aug	2014
2015				
Corn	13.484	13.057-13.870	13.686	14.216
Corn Yield	166.5	161.0-170.5	168.8	171.0
Harvest Acres	81.0	80.5-81.4	81.1	83.1
Soybeans	3.841	3.735-3.935	3.916	3.969
Soybean Yield	46.1	45.0-47.1	46.9	47.8
Harvest Acres	83.4	82.4-84.2	83.549	83.061

	2015-16 Crop Ending Stocks Estimates		
	Average	Range	Prior USDA
Corn	1,609	1,138-2,020	1,713
Soybeans	424	260-560	470
Wheat	868	828-967	850

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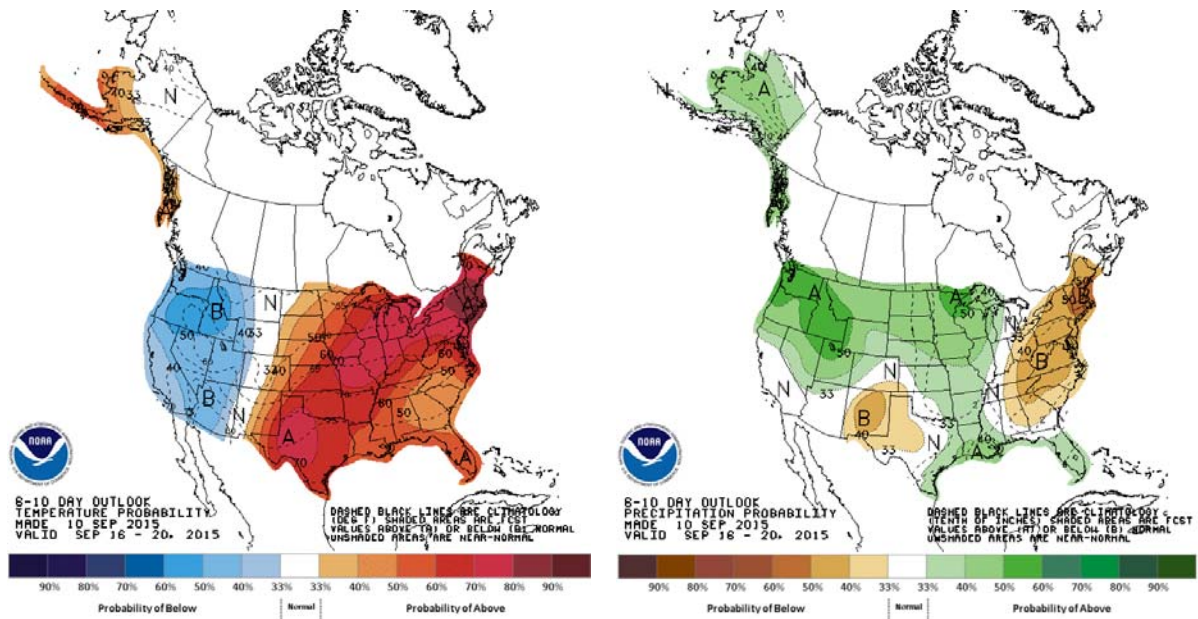
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2014-15 Crop Ending Stocks Estimates  
Average

	Average	Range	Previous
USDA			
Corn	1,771	1,713-1,829	1,772
Soybeans	230	200-248	240

Reuter's poll showed average corn production estimate expected from USDA for September at 167.5 but a final reduced to near 165 bpa. Same in beans with USDA September production estimate at 46.4 for USDA but a final at 45.7 bpa.

Forecasts are still showing some light to 1" rain chances across the Corn Belt over the next week. The 6-10 continue with normal to above normal precipitation and show above normal temperatures.



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