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Commodity Consulting/Brokerage
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Volatile, back & forth futures is the best description of last week's markets. Cattle futures finished limit down on Wednesday, touched their expanded limits lower on Thursday and then flipped around to lock limit higher on Friday. Enough damage was done midweek though to keep weekly changes still lower. Cash feedlot trade was sharply lower with heavy cattle still getting cleaned up in the North. \$126 to \$130 live and \$202 to \$208 on a dressed basis was another \$5 to \$10 lower than the week previous.

For the week, Friday to Friday, October Live Cattle down \$2.30, December down \$1.37, October Feeders down \$1.22, January down \$2.10, October Lean Hogs up \$.82, December up \$1.62.

Cattle slaughter from Friday estimated at 111,000 head, matching last Friday and up 5,000 from a year ago. For the week, 574,000 head, down 2,000 from a week ago but up 1,000 from a year ago. Year to date came back a little again, now at 6.4% less than a year ago.

Boxed beef cutout values lower to sharply lower on light to moderate demand and continued heavy offerings.

Choice Cutout__212.23 -2.62

Select Cutout__209.80 -1.82

Feeder Index:__194.81 -.94

Hog slaughter from Friday estimated at 422,000 head, also matching a week ago Friday and up 53,000 from a year ago. For the week, 2,276,000 head, down 2,000 from a week ago but up 186,000 from a year ago. The year to date difference remained the same at 8.1% more than a year ago.

Lean Index.__71.81 -.02

Pork carcass cutout__83.94 +1.52

IA-S.MN direct avg__69.90 +.22

National Average__68.44 -.32

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Opening calls this morning are 10 to 50 higher for lean hogs and 50 to \$1 higher for cattle futures, with expanded limits for cattle futures today, on follow through buying but we could still some stall out with outside markets pointing lower. The new contract lows on Thursday for both live cattle and feeders will be the first line of support at \$128.72 for October fats and \$177.10 for October feeders. October lean hogs still pushing higher for a test of the \$74 resistance area back from this past May.

Over in the grains, Friday was a good push higher as well with soybeans leading the way and finishing strong enough to pull futures higher for the week. Harvest continues to push North with corn yields not as impressive and soybean yields very good. Export sales are picking up, especially for soybeans to China. On Thursday the Chinese delegates signed the largest 1 day deal in history at 484 MBU that will most likely stretch into the 16/17 crop year. Just a side note though, our export pace is still about ½ of what it was year ago at this time.

CZ +7 ½ @ 389, CH +7 ½ @ 400 ¼

SX +21 ¼ @ 889 ¼, SF +20 ¾ @ 893 ¼

KWZ +10 ¼ @ 500 ¼, N/C July + 10 ¼ @ 533 ¾

WZ +10 ½ @ 507 ¾, N/C July +10 ¾ @ 522 ¾

For the week, Friday to Friday, December corn up \$.11 ¾, March up \$.12 ¾, November Soybeans up \$.22, January up \$.21 ¾, December KC Wheat up \$.18, NC July up \$.17 ¾, December Chicago Wheat up \$.21, July up \$.20 ½.

Overnight grains finished mixed with corn steady to 1 higher, soybeans 4 to 5 lower and wheat 5 to 6 higher.

USDA announced a private sale of 249,000 MT, 9.15 MBU, of soybeans for unknown destinations this year and 1 MMT, 36.7 MBU, to China for next year.

We expect corn and soybean harvest to both be 20-24% complete in this afternoon's crop condition and progress report. This compares to a 23% average for corn and 17% average pace for soybeans.

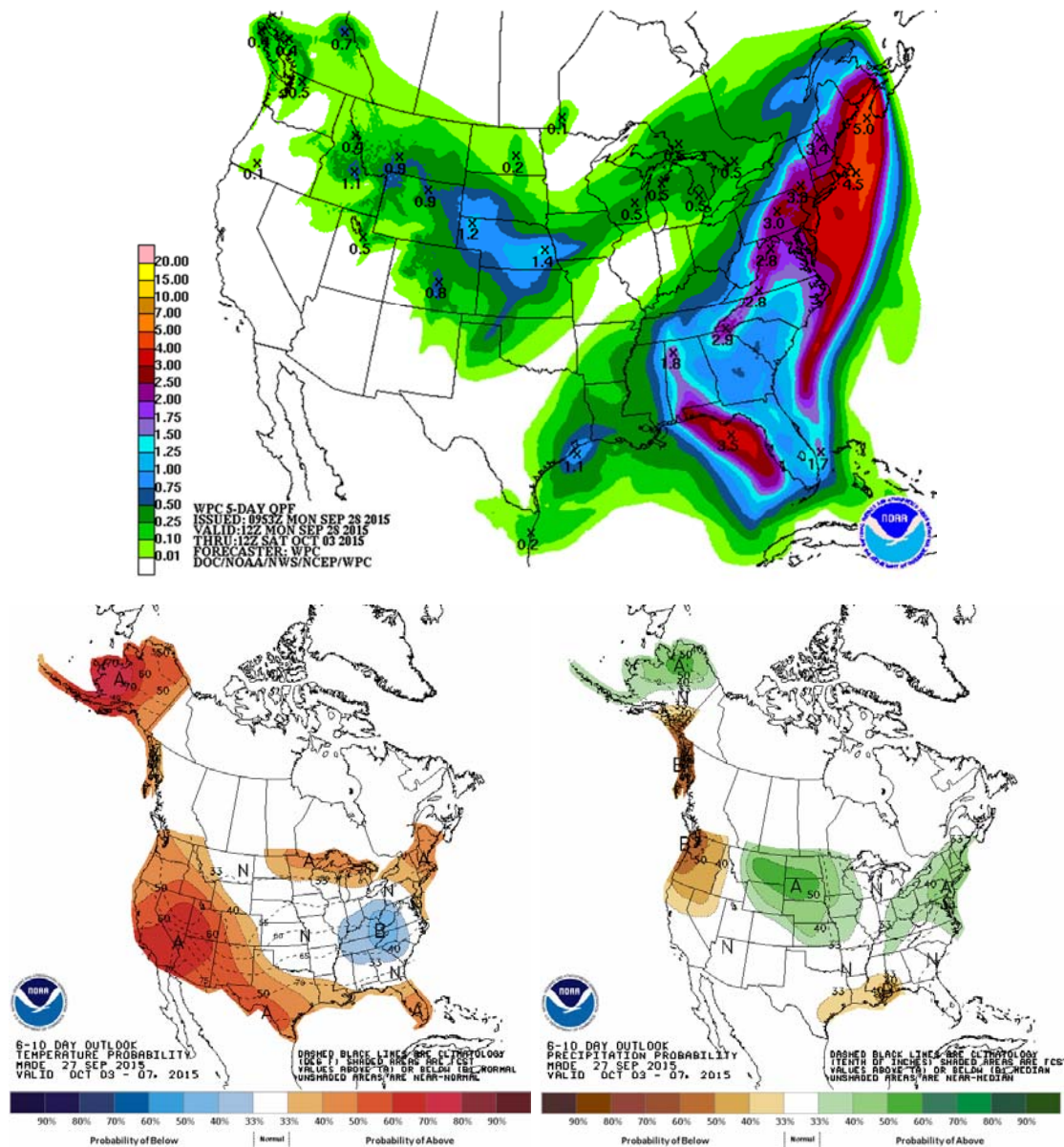
December corn pushed back above its 10-day and 100-day moving average late last week with resistance in the \$3.94 to \$4.00 area. November soybeans stayed away from its contract low at \$853 ¼ but met resistance around \$8.92 to \$8.94. Wheat futures continue their uptrend now some 40 to 50 cents from contract lows.

Russia continues to discount wheat but in other areas of Europe there continues to be concerns with hot and dry weather rallying markets there and supporting higher moves here for US wheat futures.

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The only rains for the Midwest over the last 7 days has been in Iowa, Nebraska, South Dakota and Minnesota with a small system forecasted in that same area this week and wet conditions continuing on the East Coast. Above normal temperatures will be here for the end of September but cooler temps to start October with the first real freeze ending the northern growing season around Oct 8-10.



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