



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

#### **Matt Hines**

Opening calls Monday were steady to \$2 higher for cattle futures and steady for lean hog futures which came through. Live cattle futures faded back to unchanged and in some contracts even negative territory before a last push to finish higher. Sharply higher cash feedlot trade late last Friday provided most of the support for a decent rally. Packers did slow down the chains considerable last week as boxed beef prices were still lower for the week but the collapse in prices slowed down some. Monday's trade was higher on decent demand. Recaps below of OKC, Joplin and Tulsa salebarns from yesterday...

#### Oklahoma National Stockyards, Oklahoma City, OK - Close

Compared to last week: Feeder steers and heifers mostly 7.00-12.00 higher. Steer calves mostly 15.00-20.00 higher, heifer calves under 500 lbs trading 8.00-10.00 higher. Heifer calves over 500 lbs not well tested. Demand was very good for all classes as buyers were enthused from the strong rally on the CME board last week. Fire danger will be high this week as dry conditions and high winds move over the state. Supply included 63 percent over 600 lbs. and 35 percent heifers.

#### Carthage- Joplin Regional Stockyards

Compared to last week, steers and heifers under 450 lbs steady to 5.00 higher, steer calves 450 to 650 lbs 15.00 to 25.00 higher, heifer calves over 450 lbs and yearlings 10.00 to 15.00 higher. Demand good, supply moderate. The feeder supply included 44 percent steers, 43 percent heifers, 13 percent bulls, with 33 percent over 600 lbs.

#### Tulsa Stockyards - Tulsa, OK

Compared to last week: Steers traded 13.00-17.00 higher. Heifers sold 14.00-19.00 higher. Demand good. Quality attractive. Supply includes 35 percent over 600 lbs and 42 percent heifers. Slaughter cows steady to 4.00

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lower. Slaughter bulls 4.00 higher. A total of 498 cows and bulls sold with 45 percent going to packers.

Cattle slaughter from Monday estimated at 112,000 head, up 6,000 from a week ago and up 2,000 from a year ago.

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

Choice Cutout\_\_205.30 +2.30

Select Cutout\_\_199.12 +1.23

Feeder Index:\_\_184.00 -.29

Hog slaughter from Monday estimated at 419,000 head, down 16,000 from a week ago and down 6,000 from a year ago.

Lean Index.\_\_74.84 +.09

Pork carcass cutout\_\_88.58 -.24

IA-S.MN direct avg\_\_71.37 -.40

National Average\_\_70.44 -.30

October live cattle and feeders pushed above resistance levels last week with support seen at \$127 and \$182.50 respectively. The contract lows from the first of the month for both live cattle and feeders were at \$120.02 for October fats and \$174.65 for October feeders. Resistance looks to be around \$134 for October live cattle and \$195 for October feeders. October lean hogs look to hold near the \$74 area until they expire here midweek. The December contract is also holding a decent uptrend but has been choppy the past few weeks. The \$70 area will be the target next.

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Over in the grains, shame on me for forgetting that Columbus Day is a federal holiday so export inspections and the crop progress and conditions report are delayed until today. The supply and demand report is behind us now though with quite a bit of chatter already brewing that USDA will raise yields for fall crops again next month. The general disappointment with corn yields though and slightly impressed with soybean yields continue to be heard as well.

Overnight grains again mixed with corn down 1, soybeans 6 higher and wheat steady to 1 higher.

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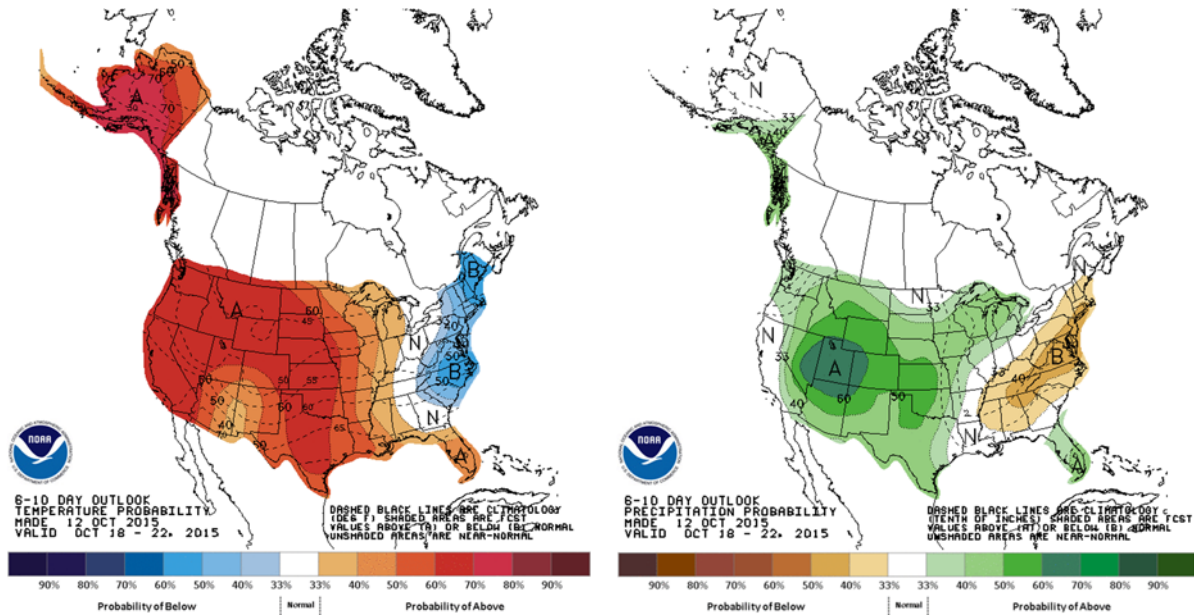
Again, corn harvest should be near 40% to 45% complete compared to 24% last year and soybean harvest 60% to 65% complete compared to 40% a year ago in this afternoon's crop condition and progress report.

China's Administration of Customs reported September Soybean imports totaled 7.2 MMT vs. 7.7 MMT in August and 5.0 MMT last year. Year to date Soybean imports stand at 59.6 MMT up 13% from the same period a year ago.

South Korea is tendering for 207,000 MT or 8.15 MBU of optional origin corn today for shipment in March/April.

December corn reached up to the \$4 area last week but quickly came back to the \$3.80 support line. Holding that area this week would be key to extend the uptrend while breaking that support could lead to a test of contract lows. November soybeans continue to chop along between the \$9 resistance and the \$853 ¼ contract low also holding an uptrend now. Wheat futures turned back lower with nearby contracts just under the 10-day moving averages.

### 6-10 Day Forecast: Normal to Above Temps and Precip.



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