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Date: January 6, 2016

Yesterday the livestock traded on both sides of unchanged in the live and feeder markets, but was consistently higher all day in the hogs. Cattle complex futures closed fairly flat, but the product prices in the afternoon report showed really strong gains again so there is certainly more upside potential to add to this recent rally. Select cutouts have been up \$5.00+ in the afternoon quotes two consecutive days. Choice was up \$5+ Monday and \$4+ yesterday. For the choice cutout value that's a string of nine days in a row of higher money. 8 of the 9 have been \$2.00+ gains which to me is almost unfathomable.

I'm bullish to cattle over the short to intermediate term because of what is going on with cash and product values. At the same time though, I'm very concerned at what the longer term damage potential is to fundamentals since beef has very quickly priced itself into the protein market as a luxury item again. That quest for endless higher money in 2014 led to a pretty steep and relentless drop in 2015. In my opinion, cattle are better served to find a happy medium where it can be competitively priced with pork and poultry to maintain a decent demand base. Right now beef is rapidly trying to isolate itself as something most can't afford again... What we can expect from that action is more wild price swings and volatility. Personally, I would like to see the volatility calm down significantly.

Cattle slg.____ 111,000 +3k wa unch ya

Choice Cutout__222.31 +4.25

Select Cutout____216.61 +5.60

Feeder Index:____166.23 +2.46

Lean Index.___ 52.95 +.08

Pork cutout____69.89 +.16

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IA-S.MN direct avg__50.62 +.53

Hog slg.___434,000 +4k wa +21k ya

Moving on to the grains, after trading lower all day Monday and poking into new contract low territory in corn and wheat, turnaround Tuesday brought things back into the green across all grains. Market driving news was scarce though and fundamentally the path of least resistance is lower, but next week we also get the January final crop production numbers in the big USDA report. That should bring with it at least somewhat of a chance of some friendly invigorating news for these markets. For corn and wheat in particular that's desperately needed as there is nothing but thin air below Monday's new contract lows on the charts.

6-10 day weather forecasts last night were still showing below normal temps everywhere. Precip was pegged at above normal in the Panhandle region south and west and below normal in the Corn Belt and Northern Plains.

Informa comes out later this morning with their production guesses for next week's final January production report. Later this week I'm sure there will be a lot of guesses to talk about heading into those numbers.

Brazil's export association put out corn and bean export projections for 2016. They pegged beans at 57 mmt's this year compared to 53 mmt's in 2015. Corn exports were estimated at 30 mmt's which is slightly smaller than last year's 30.7 number. You'll probably want to take those numbers with a grain of salt though, as an export projection isn't much different than a production projection. A LOT can change based on currency fluctuation, government policy, production and flat price relative to other competing world exporters..., namely the US.

Fun facts for today that you won't find on AgTwitter (you'll know why in a moment).
November 2015 US soybean exports 342.3 mln bushels. Nov 2014 soybean exports = 411.9 mln. November 2015 corn exports 77.5 mln bushels. Nov 2014 = 103.4 mln. Nov 2015 wheat exports 50.9 mln bushels. Nov 14' = 47.1 mln (wheat looked halfway decent actually)

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