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It was a very quiet start to the week for the cattle and hog futures. Live and feeder cattle contracts settled mildly lower on most contract months. Hogs were higher on most. Ironically, that Monday action was very similar to last week's start. It felt like we were being lulled to sleep with sharply reduced volatility, then the rug got pulled out from underneath the market into the end of the week. I don't think the volatility is gone.

Product trade was sharply higher once again yesterday, marking the 13th consecutive higher daily quote in the choice cuts. Additionally, beef packers came out bidding \$133 live in the Southern Plains, which was steady with last week. \$133 didn't buy many cattle last week either, which resulted in a significant carryover on the showlists. The four state showlist came into this week at 284,500 head compared to 252,600 last week and 226k and change from a year ago. I know we're looking at a \$44.04 enormous rally in product over a short period of time, which should give packers a LOT of room to increase bids for fed cattle. However, I really think it's going to take a rally on the board to get them to budge much to the upside. Right now they have larger showlists and depressed futures on their side. Need that bump in futures to shift some momentum into the feedlot hands.

Cattle slg. ___ 110,000 +13k wa unch ya

Choice Cutout __235.32 +3.12

Select Cutout __229.07 +2.09

Feeder Index: __165.82 -.72

Pork cutout __70.74 +.52

Hog slg. ___324,000 -113k wa -127k ya

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Moving on to the grains, the chatter yesterday was squarely focused on today's report, along with whatever the latest rumor was on South American corn and soybean production. There was a huge slate of new sales reported in the 8am USDA release, but somehow those were ignored in favor of more selling and negative closes. 248,000 tonnes of beans were sold to unknown destination, 120k tonnes of beans sold to China and 152,400 mt's of corn was reported sold to unknown. All that fresh news and the market ignored it, which becomes very disheartening from the farmer perspective.

8am export reporting today showed 140,000 mt's of beans sold to unknown destination. International news this morning had a slew of new production estimates for Brazil beans. Cordonnier left this Brazil bean number at 97 mmt's. Brazil's CONAB lowered their estimate .4 mmt's to 102.1 mmt's and they raised their corn number slightly.

Today's USDA final crop production report numbers are looking for a 13.647 bln corn crop which would be slightly lower than the last numbers. Average bean guesses were 3.983 bln, up 2 mln from the last report. Ending stocks guesses are 1.774 bln corn, 471 beans and 919 mln bushels for wheat. That would be bigger soybean and wheat numbers than last month and smaller corn. As always, the knee jerk reaction following the report is going to be dependent not on the big picture aspects of the numbers, but on the deviation of the actual figures versus the estimates.

Should be an exciting morning when the report comes out at 11:00.

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