



**Loewen and Associates, Inc.**

**Commodity Consulting/Brokerage**

**Pete Loewen, Matt Hines,  
Doug Biswell, Matt Burgener  
866 341 6700**

**www.loewenassociates.com**

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Grain markets found some rebound in a few of the corn and KC wheat contracts, but more down in everything else. Yesterday morning we had the first 100k+ mt daily export sales announcement for HRW wheat that I've seen in what seems like forever. That's what helped futures rally a little, but we need a LOT more where that came from in coming months to chip away at the monster stockpile of excess wheat that was harvested this year.

The USDA reports any US export sale commitment that is in excess of 100k metric tonnes each day at 8a.m. There has been very consistent new crop soybean sales and somewhat consistent corn sales in excess of that total in recent weeks. Zero sales of that magnitude for wheat in months. When I talked earlier this week about the need to flush out wheat futures low enough to generate export demand and competitive US prices versus other foreign exporters, this is exactly what I was talking about. Keep in mind, one sale doesn't make a trend though, but it is a good start nonetheless.

Weekly export sales numbers were positive totals for corn and soybeans which is good. The wheat number was bad. Corn sales were 8.4 mln old crop and 25.5 mln new. Next week's export report will be the final one for the old crop marketing year. Milo sales were 400k old and 2.7 new. Beans came in at 3.9 mln old and 54.2 mln new. In wheat, we had a number last week that was in the teens, which is shy of my magical 20 mln+ number that I would consider friendly. This week's total fell to 10.3 mln old crop and 300k new, which is bad.

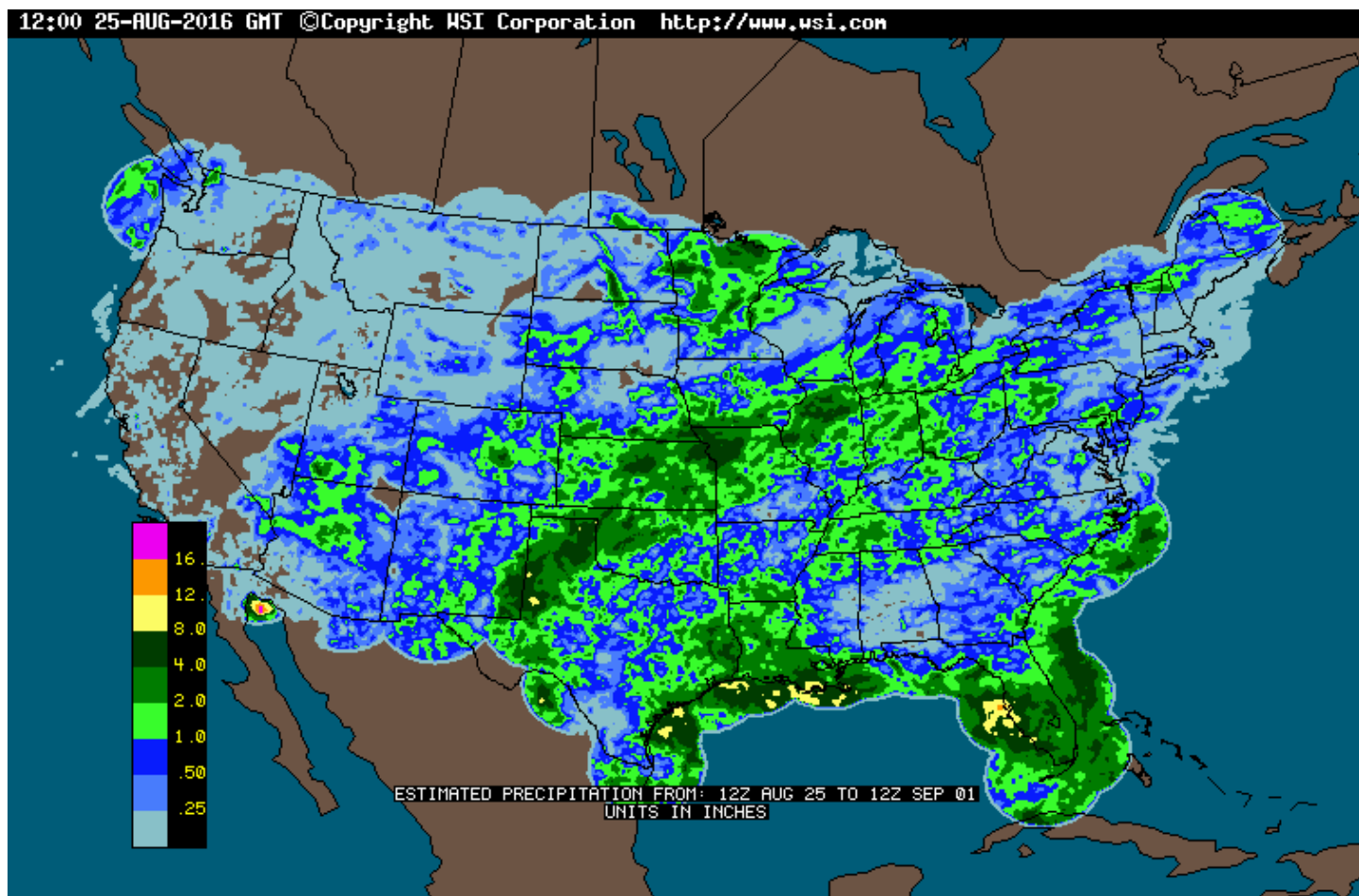
6-10 day temps were below normal for the far NW part of the northern Plains, but above normal everywhere else. Precip was above normal in the vast majority of the Corn Belt and Plains states. It's hard to deny that this has been an extremely good August for soybean development in most parts of the country. Temps have been moderate and the moisture has been great in a BIG part of the major bean areas. Maybe a little excessive in some actually.

I don't know if the September USDA corn yield number will go down or not. It may even increase a little bit, although by January I also think they'll knock quite a few bushels off the final yield. In beans, my best guess is the number gets bigger from here on out barring a big early frost event.

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8a.m. export announcements showed 129,540 tonnes of US corn sold to Mexico and 147k tonnes of soybeans sold to unknown destination. There were zero 100k+ wheat sales reported.



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