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Date: September 6th, 2016

Adding insult to injury ahead of a three day holiday weekend for the markets, the meat complex futures were hit with heavy selling. It wasn't just confined to the futures though as the negotiated cash that had already taken a \$5 hit, lost another \$2 in some Nebraska live trade bringing some of the trade down to \$7 lower than the previous week. Apparently not wanting to feel left of the bearish party, beef processors also slashed product prices, taking choice beef cuts down to just \$1.10 away from being in the 180's.

One of the worst aspects of looking at the cattle market is the fact the now spot October live futures are still at an \$8+ discount to the bulk of last week's cash. That is going to make it really difficult to find any support this week in the negotiated cash business. Packers have a fresh month and fresh contracts to pull, which means less need for negotiated numbers and unfortunately that puts the ball solidly in their court with the negotiating leverage.

Feeder cattle and calf market prices were under moderate pressure last week and I'm guessing will find even heavier pressure in the early rounds this week, barring a miraculous recovery in futures.

Cattle slg. ___ 111,000 fri wtd 604,000 -1k wa +44k ya

Choice Cutout ___ 191.09 -4.65

Select Cutout ___ 187.07 -1.42

Feeder Index: ___ 142.60 -.44

Lean Index. ___ 65.26 -.50

Pork cutout ___ 77.61 -.78

IA-S.MN direct avg ___ 60.04 -.12

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Hog slg. ___424,000 fri, wtd 2.259 mln +3k wa +76k ya

Weekly closes in the meats had the October live cattle down 4.75, December down 4.62, September feeders down 5.05, October down 3.87 and October lean hogs down 57 cents.

Grain and oilseed trade headed into the long weekend with mild to moderate gains scored across everything on Friday. The week as a whole had more down than up in most markets with mostly favorable corn and soybean weather, along with bearish September crop report estimates making waves for the market. On the opposite side of that fence though was a consistent string of almost daily corn and soybean export sales adding enough friendliness to keep deeper losses in check.

Weekly closes in the grains had the December corn up 3 ½, Nov beans down 14 ¾, December Chicago wheat down 8 ¼, December KC wheat down 3 ½ cents and new crop July KC wheat down 4 ½.

FC Stone and Informa were both out with crop production forecasts late last week that had a heavy bearish undertone in the yield forecasts. Informa came out with a 174.8 corn yield estimate which was 5 bushels higher than their previous number from last month and resulted in a corn production forecast of 15.3 bln bushels. Their soybean yield guess was 49.5 bu/ac and a 4.127 bln crop. FC Stone numbers came out Friday afternoon with a yield of 175.6, which was up .6 bu from their August guess, along with .5 above USDA's August report number. Their soybean yield guess was 50.1 bu/ac, up from their 48.8 estimate in August.

Like I mentioned earlier, the demand pace for corn and soybeans has picked up, taking some of the bearishness off of these production forecasts. From a farm marketing standpoint, the last thing the fall crop markets need is record production like some of the wheat this year, but really poor demand, like the wheat market is facing still. Thankfully at this point there is better demand in those markets.

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