



**Loewen and Associates, Inc.**

**Commodity Consulting/Brokerage**

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Cattle complex futures posted some nice gains on Monday with the front four months in live cattle up over \$1 and all contract months in feeders up over \$1. Hogs on the other hand sunk to triple digit losses in several contract months, feeling the pain once again of huge production coming off of East Coast plants firing back up that were shut down from the recent hurricane. Last week there were three kill tallies under 400k head. Thursday and Friday was 412k and 407k. Yesterday it was back over 440k head.

One would usually consider plant shutdowns from events like that as friendly to the market as total pork production takes a hit, but demand through the East Coast was hit hard as well. Essentially, that made it a non-event for market movement or recovery potential. Bearish pork supplies continue to be a burden on the cattle and I think that's a big reason choice and select beef cutouts are down in the low \$170 range on select and low \$180's in the choice. It's hard to climb out of the cellar when much cheaper pork and poultry supplies are weighing you down.

Friday afternoon we get the monthly COF data released by USDA. Expectations on Marketings for the month of September are large, but then again the Placement numbers are expected to be big as well. The range of guesses for the On Feed number from October 1 are from 101% up to 102.1% of a year ago. September Placements into feedlots are projected between 102.5% and 108.2% of last year. Marketings are pegged from 103.2% up to 107.2% of a year ago.

Cattle slg. \_\_\_ 115,000 unch wa +3k ya

Choice Cutout \_\_\_ 182.55 +.69

Select Cutout \_\_\_ 171.45 -.59

Feeder Index: \_\_\_ 121.92 -1.57

Lean Index. \_\_\_ 52.30 -.24

Pork cutout \_\_\_ 73.99 +.61

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IA-S.MN direct avg\_\_47.00 -.27

Hog slg.\_\_\_441,000 +56k wa +35k ya

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In the grain and oilseed trade yesterday, corn settle flat, wheat up mildly and soybeans 15+ higher at the finish. Beans got a bullish shot in the arm from big export inspections data. Soybean shipments were a whopping 92.2 mln bushels, up 35 mln from a year ago. 34 boats were destined for China, which is a big number. Wheat shipments were 16.6 mln bushels, which is a neutral number. Corn was down sharply from a week ago with 34.5 mln bushels loaded. Milo shipments were 18 mln.

Crop progress and condition data yesterday had a couple of interesting twists. Corn condition ratings improved a point in the g/ex category to 74% versus 68% a year ago. Harvested percent jumped 11 points to 46% complete, which is just 3 points shy of the average. Soybean overall g/ex conditions remained unchanged at 74%, but excellent gained a point from good. Harvested increased 18 points to 62% done, which is 1 point behind the average. Winter wheat planting pace moved up to just 1 point shy of the average at 72% complete. Emergence was 47% and that's 2 points ahead of last year. It's odd to me with harvest half done or more that condition ratings are still being released. A little spooky as well that conditions are improving. That shouldn't be a surprise in beans with the monster yield reports still coming in, but we didn't expect corn to keep improving.

8 a.m. export reporting showed 706,500 mt's of US soybean sales to China. That's just shy of 26 mln bushels!

6-10's last night showed above normal temps over the entire Plains and Corn Belt. Precip was listed as normal over the Corn Belt, above normal in the far Northern Plains and below normal precip in the High Plains through the Central and Southern Plains. From a HRW wheat production potential, that's a bad forecast because of the lack of topsoil moisture on newly planted wheat in so many places.

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