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Great start to the week on Monday with the entire meat complex showing triple digit gains in some contract months. For the live and feeder markets it came from friendly reaction to the Cattle on Feed report numbers that were released Friday afternoon. The On Feed total in that report was 1.3% lower than the expectations, coming in at 100% of a year ago. Placements last month were 5.9% less than expected at 98%. Marketings were slightly lower than expected, down 1.1% from the average pre-report guess, but they were still 5% larger than a year ago. Considering two sharply higher sessions to end the week last Thursday and Friday, there was some concern that the bullishness of those numbers might have already been priced into the market. I think it's great the futures could still forge ahead to strong gains, giving some more credibility that the tide may have finally turned for the cattle market.

Joplin and Oklahoma calf and feeder cattle auction runs were very close to year ago levels. OK City receipts were 7300 head and Joplin 4785. Steer and heifer calves and yearlings were \$2-\$8 higher in Joplin. OK City reported \$2-\$5 higher across the board. Considering futures were up around \$7.00 on the Nov Feeders since their last sales, I'm maybe a little surprised those numbers weren't even better.

Cattle slg.\_\_\_\_ 114,000 -1K WA +4K YA

Choice Cutout\_\_180.98 +1.20      Select Cutout\_\_167.17 +.44

Feeder Index:\_\_\_\_119.48 -1.18

Lean Index.\_\_\_\_51.85 -.64      Pork cutout\_\_\_\_72.96 +.89

IA-S.MN direct avg\_\_45.82 +.06

Hog slg.\_\_\_\_443,000 +2k wa +7k ya

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In the grain and oilseed trade yesterday, grains sunk under mild to moderate pressure and beans were nicely higher. Part of the divergence of trade could have come from export inspections

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numbers that were bullish beans and bearish the rest, although I have a tough time imagining inspections moving markets to levels like we had at the closing bell. Soybean shipments were 100.7 mln bushels, up from 92 mln a week ago and 98 mln last year. Wheat shipments were 9 mln bushels and corn 21.4 mln, along with milo at 2.6 mln. The good news is, loadings in corn, beans and wheat are all considerably higher in the marketing year to date compared to last year. The bad news, Chicago wheat was still down in the double digits yesterday with KC not far behind.

6-10's last night showed above normal temps across the entire Plains and Corn Belt. Precip was listed as above normal in the far northern Plains and far north Corn Belt, normal in Iowa and below normal precip over the rest of the Corn Belt, Central and Southern Plains. I'd call that forecast bearish corn and beans, along with basis in most areas because of the active harvest progress it promotes. It's friendly to wheat due to the persistent dryness over some of the HRW wheat areas and the newly planted crop.

Crop Progress and Condition data released yesterday afternoon showed the first wheat condition numbers for the season. Overall winter wheat conditions were 59% g/ex, 7% p/vp and the balance of 34% in the fair category. Kansas specifically was 61% g/ex and 8% p/vp. Winter wheat emergence was listed at 60% nationwide, which is 2 points ahead of average. Plantings are 79% complete, down 3 from the average.

Corn and soybean harvest progress showed corn up 15% to 61% complete. Bean harvest is 76% complete, up 14 points in the last week. Milo was 67% complete, up 10 points over the last week.

8a.m. export reporting showed a massive 516k tonne sale of US beans to China. That could help the market this morning, if it wasn't something already priced in with yesterday's rally. Egypt announced another wheat tender yesterday and once again I think the US has slim to no chance of getting any of that action. Current cheapest offers are coming from Russia and surrounding areas.

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