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Date: November 8<sup>th</sup>, 2016

Interesting trade in the meats yesterday. Record hog kill last week record pork production, steady negotiated cash feedlot trade in cattle, higher beef product trade last week and cattle have been actively lower, while hogs are actively higher. Granted, there had already been an enormous amount of blood-letting in the hogs over the last four months. Ironically the chart technicals actually have looked pretty favorable in hogs since the mid-October contract lows. Hog futures are \$6-\$7 above those lows now and setting records on pounds of pork produced while the market rallies. It's great..., I just don't think it's going to last long.

Sometimes markets turn up while things look the worst, or turn down when they look the best. If that's the case for these hogs, it is certainly following that pattern.

Cattle slg. \_\_\_ 116,000 unch wa +4k ya

Choice Cutout \_\_\_ 187.27 -1.43

Select Cutout \_\_\_ 172.32 -.71

Feeder Index: \_\_\_ 126.49 +.46

Lean Index. \_\_\_ 50.46 -.63

Pork cutout \_\_\_ 74.30 +.96

IA-S.MN direct avg \_\_\_ 42.64 -.23

Hog slg. \_\_\_ 443,000 -17k wa +12k ya

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Grain and oilseed trade yesterday settled mildly lower in corn and wheat, a little higher in the beans. Soybeans were fed more demand related bullish news than supply related bear stories

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and as a result, we're trekking up closer to having the majority of the contract months back up over the \$10 mark.

Export inspections that were released midmorning yesterday for the week ending November 3rd was a new weekly record at 152.8 mln bushels for combined wheat, beans, milo and corn. That topped the previous week's record of 150 mln. Soybeans were the leader at 96.4 MBU, which is a giant number, but actually down a little from last week. All other grains inspected for export were higher than the previous week with corn at 35.0 MBU, wheat 18.2 MBU and grain sorghum 3.2 MBU.

Crop progress and condition data showed corn harvest at 86% complete, up 11 points from last week and 1 point ahead of the average. Soybean harvest was 93% done, up 6%, along with 2 ahead of the average pace for this date. Winter wheat seeding is 91% done, lagging the average pace by only a 1 point. Emergence is ahead of normal at 79% and condition ratings were unchanged from the previous week at 58% g/ex. One thing I do want to point out though is the spotty, deficit topsoil moisture in quite a few areas, especially in the High Plains. P/vp percentages are 13% in Colorado, 10% in Kansas, 12% in Nebraska 10% in Oklahoma and 15% in Texas. Rain is needed desperately in a few areas.

Tomorrow morning we get November monthly S&D and Crop Production reports released at 11:00 a.m. The general consensus for fall crop markets is the continued theme of slightly lower corn yields and slightly higher beans. The average guess for corn yield is 173 bu/ac, down from 173.4 last month. Production is pegged at 15.017 bln bushels and carryout 2.291 bln. The average soybean yield guess is 52 bu/ac and a 4.318 bln bushel crop. Last month the bean yield was .6 bushels lower at 51.4. Ending stocks have an average estimate of 420 mln, up from last month's 395 number. There will be some interesting jockeying around of numbers in the demand side of the balance sheets for corn and beans. The export pace to date is huge, so even with big crops the door is open for USDA to ramp up their usage figures even more yet potentially.

6-10's last night were still showing above normal temps over the entire Plains and Corn Belt. Precip was below normal all through the HRW Wheat Belt and into the Corn Belt. Far north and east were normal to above precip.

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