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For the most part, the meat complex started Wednesday's session under mild pressure. Trade was choppy in cattle and then selling escalated as the day progressed. Most of the cattle complex futures finished in the triple digits lower. Hogs maintained their mildly lower status, except on the front month February. Feb hogs closed just one tick away from \$1 higher and pushed into new contract high territory again.

Fed Cattle Exchange trade had a weighted average price of \$117.60 for finished cattle, which is around \$1.00 lower than last week. Other trade reported throughout the day was \$120 live in Kansas, along with \$119-\$120 live in Nebraska. Those prices are \$1 higher than a week ago.

December cattle and beef trade data was recently released showed some interesting developments in trade. For starters, the US continued to be a net beef exporter, despite sharp increases in imports from Mexico. They shipped 60% more beef and veal into the US than they did in December 2015. As a whole, US beef imports were 201 mln lbs, up 7.8% from the previous year, while exports were 254 mln lbs, up more than 29% year to year. Japan and South Korea are the largest buyers. Plus, South Korea should remain strong buyers of all US meat products due to the significant outbreak of bird flu that erupted last year. The largest exporters of beef into the US were Canada and Mexico.

On the live side, Mexico's December shipments of stockers and feeders into the US increased 29% from a year earlier. Imports out of Canada decreased.

Cattle slg.____ 112,000 +3k wa +5k ya

Choice Cutout__189.43 -.53

Select Cutout__186.49 -1.29

Feeder Index:___127.28 +.18

Lean Index.___ 72.19 +.74

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Pork cutout___85.23 -.15

IA-S.MN direct avg___71.48 +1.41

Hog slg.____441,000 -4k wa +2k ya

Grain market trade found mildly higher closes in corn and wheat. To some extent, those markets were pulled higher by the bullish action in the soybean trade. Old crop beans were the leader with gains in the high teens. There were also new recent highs scored in old and new crop corn contracts, which “should be” exciting, but the corn market just doesn’t seem to have the ability to move much these days. New highs and yet old crop corn was up 2 ½ cents or less and new crop 1 ¼ cents.

At 11:00 am this morning the monthly S&D numbers and WASD reports will be released. US ending stocks projections have the average guesses at 2.342 bln corn, 409 mln bushels of beans and 1.178 bln wheat. All those numbers are mildly lower than the January data. World ending stocks numbers are expected mildly lower in corn and beans and mildly higher in wheat. The other big numbers to watch are Brazil and Argentina soybean production. Average guesses there are 104.1 mmt’s for Brazil and 54.3 mmt’s in Argentina. That would be an increase for Brazil from the January estimate and a decline in Argentina of 2.7 mmt’s.

8 a.m. export reporting showed 107k mt’s of US beans sold to unknown destination. Weekly export sales numbers were bullish across the board. Wheat sales were 527k mt’s, corn 972k mt’s and beans 537k mt’s. In bushels that is 38 mln cornj, 19 mln wheat and 19 mln beans.

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