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Fairly slow day for the ag markets as a whole yesterday. Cattle opened flat and traded on both sides of unchanged before moving mildly higher at the close. Front end August live cattle settled lower, while the rest of the complex was higher and it was an odd move for that front end to be under pressure. Negotiated cash feedlot trade last week gained $2, trading up to $120. That left an approximate $2 positive basis, which is very much in line with historical normal levels. The close yesterday left that spot August slightly more than $3 discount to cash and definitely moved counter to the cash trend.

Choice beef cutout quotes closed lower for the 20th consecutive business day. Since the June 12th year to date high of $252.52, that choice quote has fallen $43.47. The odd thing is, pork cutouts are still solidly over $100 and at their highest point all year, plus, I don't see that we've seen any major downtick in export demand or on the domestic front. I do think at the $250 level that packers risked the door being slammed shut on movement. The choice being quoted lower over 23 of the last 24 business days likely validates that thought process as well. I realize there's a lot of people in the industry that love to see product quotes up in the nosebleed seats, but I'm telling you, that's also dangerous for the industry. We don't need beef to be priced as a luxury item. We need it to be viewed as affordable, so the consumer choice in the grocery store doesn't shift completely away from it like it did three years ago. With the recent downfall in product, demand should escalate again.

Friday afternoon we get COF data out from USDA. Average guesses for the July 1 On Feed total range from 102.5% of a year ago up to 103.8%. Marketings in June are estimated from 102.6% up to 104.9% of last year. Placements last month have a range of guesses from 103.1% on the low end, up to 110.6% at the top. If they hit double digits on placements, that will be the 4th consecutive months of double digit in-movement into feedlots.

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Grain and oilseed trade finished under mild pressure in everything except Minneapolis wheat. Those contracts were up in the double digits and at the same time, KC and Chicago wheat were the weakest in the complex. It has been a wild roller coaster ride with markets flipping actively back and forth based on money flow, as well as with each new model run in the weather forecasts. For the most part, excessive heat has remained pretty firmly intact in the forecasts, but at the same time, key areas in the Corn Belt seem to be getting steady rains to ward off bullish buying and keep pressure on prices.

Export inspections yesterday morning were bullish across the board with corn at 43.7 mln bushels, soybeans 10.5 mln and wheat 21.3 mln bushels.

Crop progress and condition data was a little disappointing, as well as confusing. Corn conditions declined 1 point in g/ex, down to 64%. Last year at the same time, conditions were rated 76% g/ex. The confusion came from the fact Iowa dropped 6 points, Illinois and Indiana both down 1 point, Nebraska down 3, Minnesota down 1 and South Dakota down 7 and yet overall national conditions only dropped 1 point…

Soybean condition ratings also dropped 1 point out of g/ex down to 61%. Last year the rating was 71% g/ex at this point in time. Not unlike the corn, Indiana and Minnesota were down 1, Iowa was down 4 points, Kansas down 5 and Nebraska was off 3. Illinois gained 1, along with Missouri up 3. It wasn't as pronounced as in corn, but the math still looked awfully fuzzy to see so many key states move lower and yet the national rating was only down 1.

Spring wheat ratings dropped 1 point out of good and 1 point out of fair and moved them both to very poor. Nationally, 41% of the crop is rated p/vp and 34% g/ex. Minnesota is the exception with 83% of their crop rated g/ex. Montana is 61% p/vp and 16% g/ex. North Dakota is 40% p/vp and 32% g/ex. South Dakota is 74% p/vp and 8% g/ex. From last week to this week, Montana actually got 5 points better, North Dakota 4 points worse and South Dakota 2 points worse. I have said it before and I'll say it again, Minneapolis wheat futures deserve to be the leader in any bullish price action. Hopefully that can pull the KC and Chicago along for the ride.

6-10's last night showed above normal temps over all major crop areas except the NE part of the Corn Belt where temps were normal to below. Precip was below normal from central Nebraska, all of Iowa and central Illinois to the north. Kansas, Oklahoma, Missouri and the Panhandle were all above normal on precip and then central and south Texas was below normal.

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