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Morning Ag Markets

Pete Loewen

Weekly export sales numbers were a mixed bag that included huge milo sales, poor corn sales, neutral bean sales and really bad wheat sales. The milo total was 6.4 mln bushels old crop and 2.4 mln new. Corn was 1.4 mln bushels of old crop and 17.3 mln new. Soybeans came in at 8.6 mln old crop and 13.5 new. Wheat barely put any points on the board with 5.3 mln old crop sales. It also pulled the ytd commitment total for wheat down below last year's at the same time. Total commitments to date for a marketing year that started on June 1 stand at 369.8 mln bushels. Last year they were 370.7 mln.

6-10's last night showed below normal temperatures for the entire Plains and Corn Belt with the center of the US at much below normal. Precip was above normal from southern South Dakota all the way through Texas, including the southern and eastern Corn Belt. From northern Iowa and Illinois into southern Minnesota the precip was normal. The spring wheat belt was below normal on precip. That means wide open harvest weather for spring and durum wheat, but it also means the corn and beans in North Dakota and a good portion of South Dakota are going to keep going downhill condition-wise.

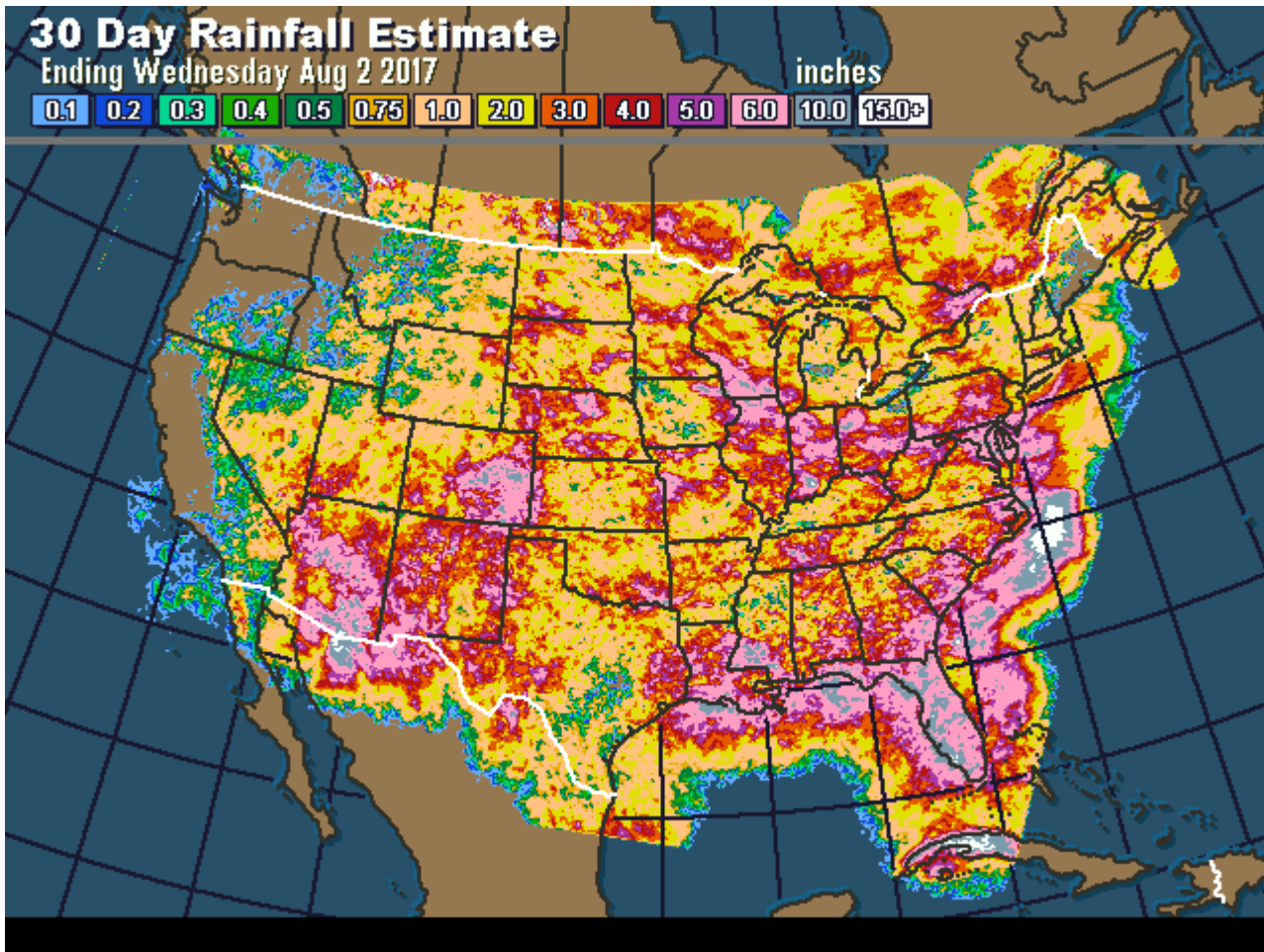
Yield and production estimates began creeping in this week for the August crop report, slated for release next week on Thursday. Informa is out today. FC Stone put their numbers out on Tuesday and they looked bullish corn and neutral to somewhat negative for beans. Their national corn yield number was 162.8 and a 13.6 bln crop. USDA's trendline number they have been using on previous reports is 170.7 and 14.255 bln. Stone's bean number was 47.7 for yield and 4.2 bln production. USDA was 48 on yield and 4.3 bln production on the July report. In the four largest corn producing states they pegged yield at 190 in Minnesota, 173 in Nebraska, 180 in Iowa and 176 in Illinois.

A couple of critical factors we have to keep in mind for this August report; 1) this is the first report of the year with actual USDA enumerator surveys from the field, and, 2) in the vast

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majority of the US, these are stalk counts only. Based on that last factor, don't be surprised if the August USDA corn yield is bigger than most expect. They do include factors like crop condition ratings into the numbers, which could pull their yield down some, but at this point I'm anticipating yield to start conservative and decline in following reports. Too many problems in fringe areas this year compared to last year to have a comparable yield, in my opinion.



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