



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cash feedlot trade was lower again this past week at mostly \$106 to \$107 live, \$3 lower, and \$170 dressed in the North or \$5 lower than the week previous. A friendly cold storage report midweek followed by a friendly cattle on feed report vs. expectations should carry us into this week with some higher futures. From the cold storage report, total red meat supplies in freezers were up 1% from June but down 8% from last year. Total pounds of beef up 4% from last month but also down 8% from last year.

Cattle on feed totaled 10.6 million head, 104% vs. a year ago and right in line with expectations along with July marketings at 104%. Placements have been the bearish market killer the past few months coming in at double digit gains. July placements were higher than a year ago at 103%, but expectations were up near 106-109%.

Placements by weight class (expressed as % of previous year)

Under 600 lbs 102%

600-699 lbs 100%

700-799 lbs 107%

800-899 lbs 104%

900-999 lbs 103%

Over 1000 lbs 88%

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 08/25/2017

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	129,300	41,100	48,300	218,700
Last Week	148,900	41,500	0	190,400
Last Year	163,100	38,000	48,100	249,200

Compared to last week, steers and heifers began the week mostly steady to 5.00 higher. However, mid-week livestock markets were uneven; from firm to 4.00

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lower only to rebound later in the week with steer and heifers calves trending up to 7.00 higher. Demand was moderate to good, with moderate to active trading.

For the week, from Friday August 18th to Friday August 25th, August Live Cattle - \$.42, October +\$1.02, August Feeder Cattle +\$.87, September +\$2.90, October Lean Hogs -\$3.05, December -\$2.37. Boxed Beef, Choice -\$2.97 @ \$191.32, Select -\$4.20 @ 188.30.

Cattle slaughter from Friday is estimated at 114,000 head, down 1,000 from the week previous but up 1,000 compared to a year ago. For the week, 639,000 head, up 5,000 from the week previous and up 29,000 compared to a year ago.

Hog slaughter from Friday is estimated at 426,000 head, up 6,000 from the week previous and up 4,000 compared to a year ago. For the week, 2,338,000 head, up 4,000 from a week ago and up 71,000 compared to a year ago.

Boxed beef cutout values weak on light to moderate demand and offerings for a total of 141 loads sold.

Choice Cutout__191.32 -.43

Select Cutout__188.30 -.36

CME Feeder Index: __143.24 -.18

CME Lean Hog Index.__78.23 -1.17

Pork Carcass Cutout__86.41 -.77

IA-S.MN Wtd Avg Carcass Base__66.95 -1.04

National average Wtd Avg Carcass Base__66.73 -1.13

October live cattle hit a new low at \$104.62 last week, resistance up near \$110. August through November feeders spent a few days reaching below the \$140 area and still holding a lower trend. Support below these levels next showing at \$130 with resistance up in the \$145 to \$147 area. October lean hogs down almost \$9 in the past 2 weeks with \$62 as the next support area and resistance up at \$66.

Over in the Grains, markets were mostly flat to lower to finish the week. Corn and wheat continued to trend lower as soybeans have stabilized. Hurricane Harvey will hit the TX gulf coast over the weekend causing havoc locally and on exports but not much moisture is expected to shift north from it. Farm Journal finalized there

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crop tour last week and released a 167.1 BPA yield for corn and 48.5 for beans compared to USDA at 169.5 and 49.4 respectively earlier this month.

For the week, from Friday August 18th to Friday August 25th, September Corn - \$.13 ¼, December -\$.12 ¼, November Soybeans +\$.06 ¾, September KC Wheat - \$.10, September Chicago Wheat -\$.06 ½, September MPLS Wheat -\$.18 ¼, December Soybean Meal -\$.50/T

Grains overnight were mixed to lower with not much impact from the tour and no major weather concerns in major production areas. Corn finished ½ to ¾ lower, soybeans 2 to 3 higher and wheat 1 to 4 lower.

USDA reported a private sale of 160,020 MT or 6.3 MBU of new crop corn sold to Mexico.

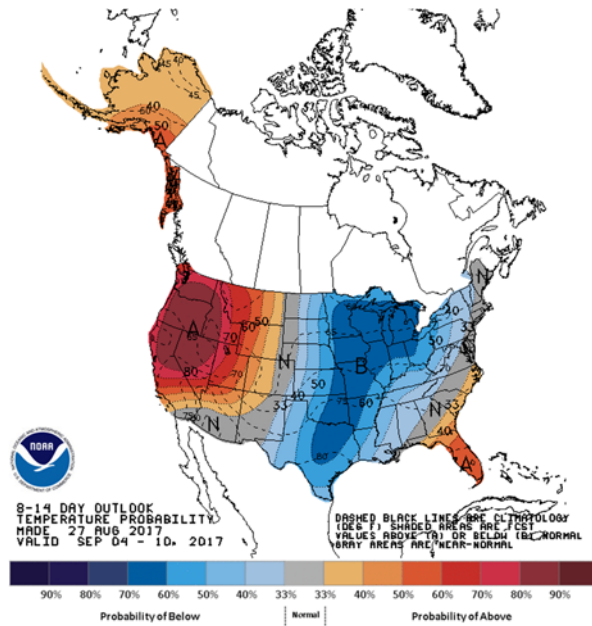
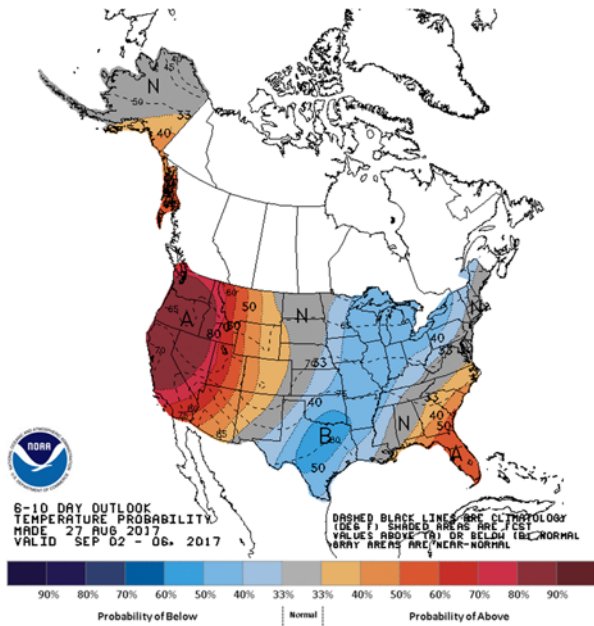
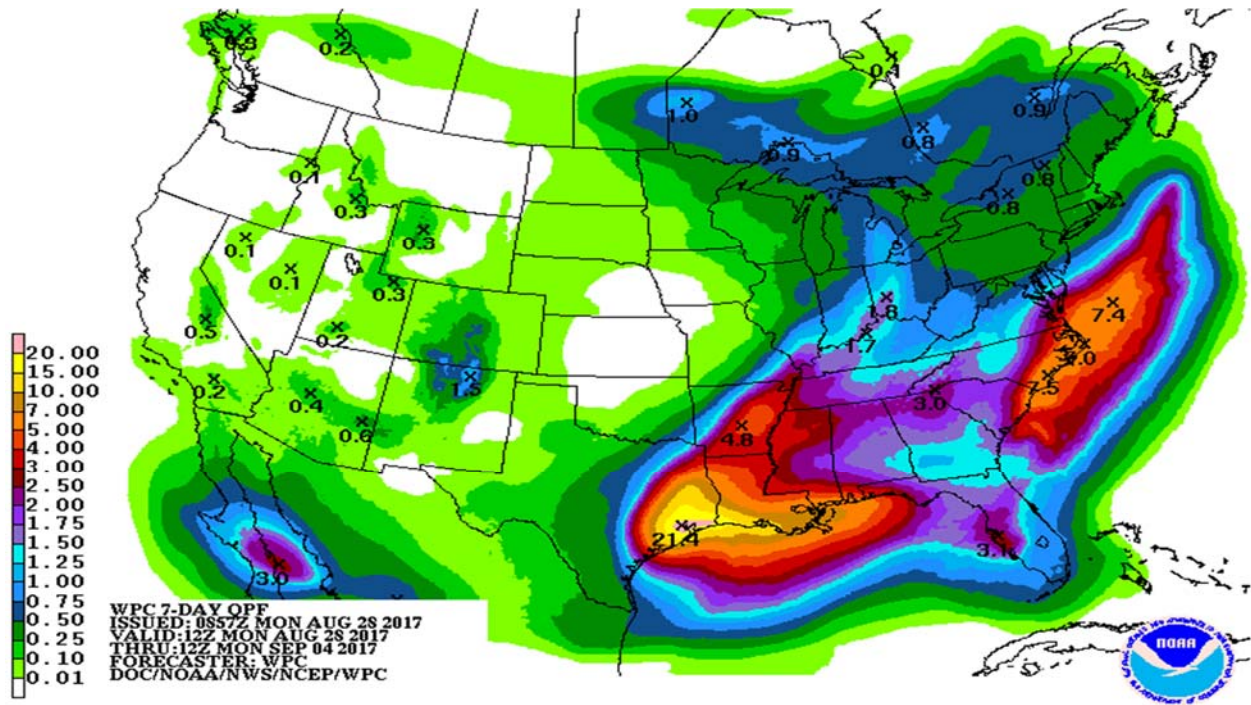
Expectations are for crop conditions to be steady to maybe a point better for both corn and soybeans later this afternoon. 62% of the corn crop was rated good to excellent last week compared to 75% last year. 60% of the soybean crop was rated good to excellent last week compared to 73% last year.

December corn into new contract lows at \$3.52 ½, tested again overnight, September down to \$3.38 with the next low on the weekly charts down at \$3.31. November soybeans holding the higher trend since August 16th with the next resistance up at \$9.60. KC and Chicago wheat holding near the \$4 area while September MPLS has found support from the 100-day moving average now at \$6.42 ½.

All the weather attention is currently on the remnants of Hurricane Harvey as some parts of the Texas Gulf Coast may receive up to 50 inches of rain. There a couple models that show the system able to push in the Ohio River Valley later this week bringing up to 5 to 10 inches. The rest of the weather market is starting to look at possible frost/freeze for the Upper Midwest 2 weeks out. Some private forecasts have been talking about this already. The 6-10 day run by the NWS shows below normal temps through the Midwest, above normal on the West Coast. The 8-14 day outlook does show this below normal to continue and centered on the Upper Midwest.

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