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## **Morning Ag Markets** Pete Loewen

Feeder cattle cash trade ranged from steady to \$6 higher last week. Total auction receipts at those sales topped last year by about 40,000 head. When you factor in direct and internet/video trade, the total receipts fell short of year ago totals by 5,800 head. The receipts from the previous two weeks were higher than year ago totals, yet when this month's COF report data comes out, Placements from August are likely going to fall short of last year's levels by about 4%-6%. Before getting too bulled up from that number though, be mindful that March – July placements averaged 10.6% bigger than last year's total.

Negotiated cash feedlot trade once again was prolonged until late in the week and a big part of that delay can be attributed to negative basis and premium deferred futures prices. Dressed trade was mostly unchanged from last week around \$168, but live trade improved \$1 with trade hitting \$106 from north to south. That's a victory because of higher money, but it's only a matter of time before weights creep up to year ago levels and potentially even exceed last year's numbers. Negative basis and premium futures have strong potential in causing the cattle feeder to lose currentness. If marketings don't remain aggressive, it'll take a lot of friendly potential away from the market.

Cattle slg. \_\_\_ 115,000 fri 59k sat wtd 642,000 -13k wa +31k ya

Choice Cutout \_\_191.42 +.42 wtd -.46

Select Cutout \_\_185.85 -.87 wtd -4.12

Feeder Index: \_\_149.73 +.27

Lean Index. \_\_ 64.07 -1.08

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Pork cutout\_\_\_77.76 -1.44 wtd -4.36

IA-S.MN direct avg\_\_53.55 -.24 wtd -5.04

Hog slg.\_\_\_447,000 fri 179k sat wtd 2.432 mln +262k wa +64k ya

Weekly closes in the meats had October live cattle up 42 cents, December down 2 cents, Sept Feeders up 2.35, October up 2.22, October lean hogs down 1.17 and December hogs down 42 cents.

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South American crop weather is starting to get some press with conditions reportedly dry in Brazil and wet in Argentina. Bullish cheerleading appears to be leading those stories though, given the fact it's supposedly too dry to plant in one country and too wet to plant in the other. The reality is, it's too early to get bulled up to anything in South America, so don't listen to the stories. For two years these same bulls have claimed major flood damaged crops in Argentina and in the end Argentina produces a big crop. Rain makes grain is the thing you need to keep in mind.

Weekly closes in the grains had December corn down 2 cents, March down 1 3/4, November soybeans up 6 3/4, January up 7, Dec KC Wheat up 4 1/2, March KC up 4 3/4, December Chicago wheat up 11 1/4, March up 8 3/4 and December Minneapolis wheat down 25 1/4 cents.

Informa came out with a big slate of estimates on Friday in everything from acreage for next year, to acreage and production for this year. For this fall's harvest, they lowered corn acres 226,000 and raised soybeans 829,000. They also lowered wheat acres 552,000, all coming from acreage loss in the Northern Plains spring and durum wheat areas. Their corn yield is 169.7 with production 14.115 bln. Soybeans were pegged at 49.9 bu/ac and production 4.470 bln. That corn number is 69 mln bushels lower than the September USDA number. Their soybean production is 39 mln bushels larger than USDA's current number.

For new crop acreage, Informa pegged wheat up 770,000 acres. Their corn guess is up 1.2 mln from this year's plantings. Soybeans are expected to decrease 1.3 mln acres.

Take those numbers with a grain of salt. I'm not trying to convey lack of credibility. All I'm saying is it's someone's first shot at estimating plantings and their numbers will change every month as time goes on...

8a.m. export reporting:

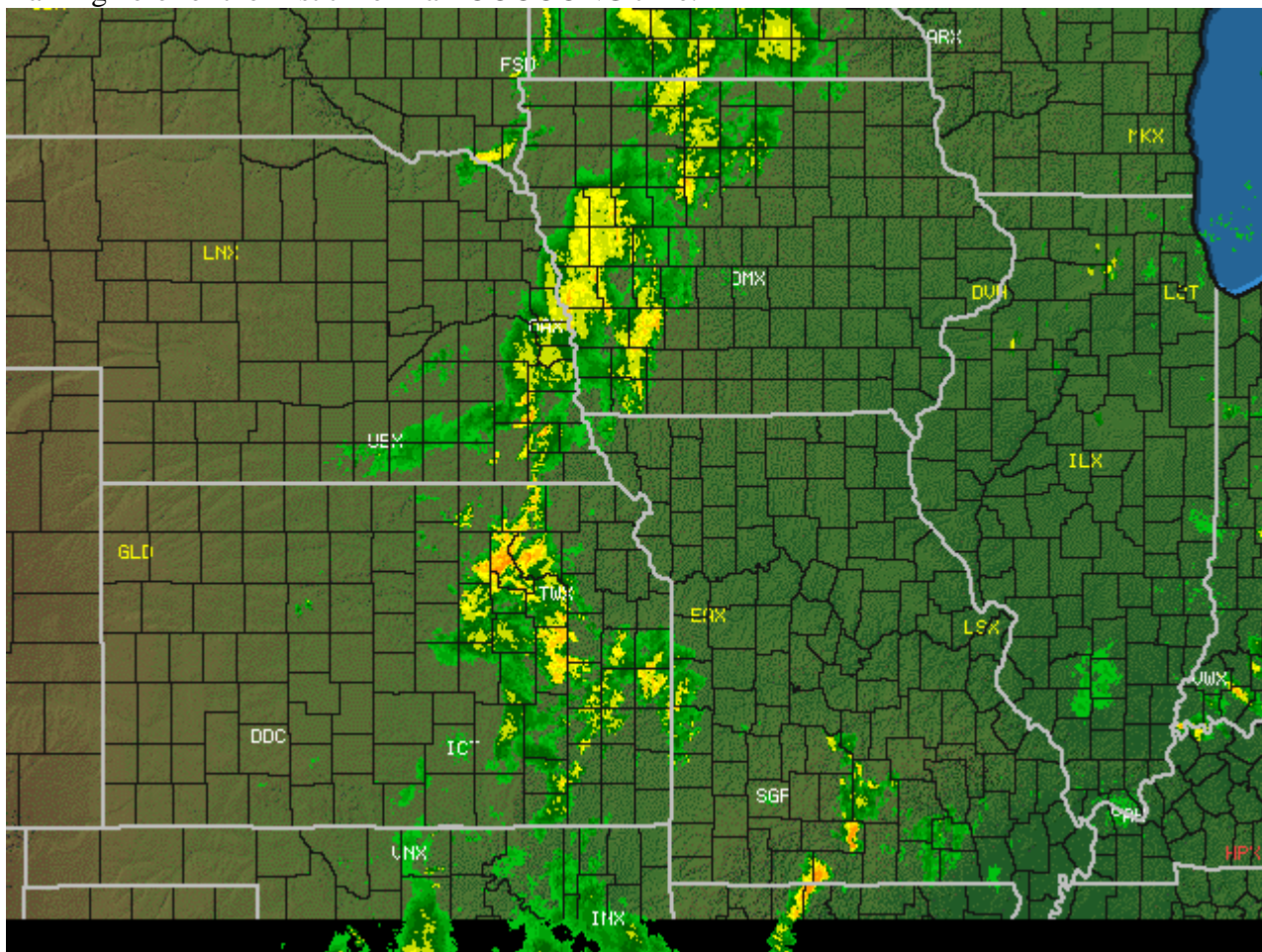
- 261k mt's US beans sold to China
- 126k tonnes US beans sold to unknown destination.

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6-10's last night showed normal temps in the High Plains and above normal across most of the Corn Belt. Precip was above normal across the Plains states and into the Central Corn Belt and below normal east and southeast.

Raining here for the first time in a LOOOOONG time.



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