



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cattle futures were mixed coming off the 3 day weekend while hogs raced triple digits higher. Cash feedlot trade will most likely be late this week, beef prices yesterday were steady to higher. Only light movement through the barns so far this week with no Monday sales as all were closed in observance of Labor Day. Tuesday's action was seen as mostly steady compared to a week ago in a few regional barns.

Fed Cattle Exchange has 1,240 head consigned for today's online auction. This compares to last week's 1,777 head of which 633 head sold at \$105.10 for 1-9 day delivery, 55 head sold at \$105 for 1-17 day delivery and 854 head out of NE sold at \$166 dressed for 1-17 day delivery.

Tyson announced a poultry complex for NE KS in Tonganoxie to cost \$320 M, employ up to 1,600 and capacity at 1.25 million birds. The complex will include a processing plant, hatchery and feed mill, breaking ground this fall and expected to open in mid-2019.

Cattle slaughter from Tuesday is estimated at 2,000 head, matching last year after Labor Day and compares to 116,000 on a full day's run last week. Hog slaughter from Tuesday running full at 449,000 head, down 1,000 from last week and up 26,000 compared to a year ago.

Boxed beef cutout values higher on Choice and steady on Select on light to moderate demand and moderate offerings for a total of 141 loads sold.

Choice Cutout__192.45 +1.10

Select Cutout__190.47 -.18

CME Feeder Index:__145.27 +1.00

CME Lean Hog Index.__not available, last quoted at \$71.36 from 9/1

Pork Carcass Cutout__84.96 +.49

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IA-S.MN Wtd Avg Carcass Base__62.12 -.16
National average Wtd Avg Carcass Base__61.89 +.22

October live cattle still holding above the \$104 level with resistance up at last week's high at \$109.75. September through November feeders still trading in a lower trending channel with support down in the mid \$138's and resistance up in the mid \$147's. October lean hogs down \$11.50 from high on August 16th to its low August 29th. It has rallied back \$4 over this past week with resistance at \$65.

Over in the grains, maybe a little frost premium added in yesterday, but still not much confidence in seeing a hard freeze in the Upper Midwest. Overnight temps did register some 30's but very few and far between with mostly light frost reported in parts of MN, ND and SD. There may have been a few spots in western NE that did get a hard freeze overnight. Grains were all higher led by soybeans expect for the MPLS wheat as harvest continues in the Northern Plains and into Canada.

Corn and soybeans inspected for export were above expectations for the week ending August 31st, the last day of the fall crop marketing year. Corn totaled 31.4 MBU and soybeans 23.7 MBU. Corn inspections year to date exceed the current USDA estimate by 15 MBU and soybeans came in 29 MBU short. Wheat inspected for export was only 1/3 of last week's and last year total at 9.3 MBU but year to date still 16 MBU ahead of last year's pace.

Crop Progress and Conditions report released after the close...

- Corn conditions down 1% to 61% good/excellent, WI +3, IL and IA +2, SD -6, ND -2, only 60% dented vs. 74% last year and 68% average, 12% mature vs. 17% last year and 18% average pace
- Soybeans and left unchanged at 61%, ND -4, all other major producing states +/-1, 11% dropping leaves right in line with last year and average
- Grain Sorghum harvest +2% to 23% complete
- Spring Wheat harvest +13% to 89% complete

Grains overnight were steady to 1 lower for all, except MPLS wheat which was 3 higher, on light trading volume.

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USDA reported a private sale of 253,300 MT or 10 MBU of new crop corn sold to Mexico.

Stats Canada out this morning with their Grain & Oilseed Stocks. Expectations were near 6 MMT for wheat, bearish at 6.865 MMT, up 32.6% from a year ago.

	July 2016 MM T	July 2017 MMT	July 2016 to July 2017 % change
Total wheat	5.178	6.865	32.6
Durum wheat	1.100	1.863	69.4
Barley	1.443	2.122	47.1
Canola	2.091	1.348	-35.5
Dry field peas	.174	.301	73.0
Flaxseed	.277	.191	-31.0
Lentils	.073	.405	454.8
Oats	.930	.690	-25.8
Rye	51	165	223.5

Wide open forecasts for this next week throughout the Plains and Corn Belt. Scattered ½ to 1 inch expected in the Great Lakes and 10+ in the Southeast from Hurricane Irma. The 6-10 day outlook shows above normal temps to continue in the West and below normal for the Southeast with precip below normal for the PNW and central US, above normal in the Southwest and Southeast.

December corn with support at \$3.44, resistance at \$3.61. November soybeans gapped higher yesterday, support at \$9.60 resistance around \$9.80. December KC wheat with a round bottom at \$4.20, resistance at \$4.47 then \$4.65. December Chicago wheat down to \$4.22 ½ last week with the same resistance levels up above. December MPLS wheat though still trending lower, down to \$6.26 yesterday, support at \$6 with resistance at \$6.50.

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