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Morning Ag Markets Pete Loewen

Live and feeder cattle futures spent the early part of the session at lower money, but rallied late in the day to close higher across all of the live cattle contracts and higher on the front month feeders, but lower on the rest. Hogs were up triple digits on the front month and mildly higher on the deferreds. It's hard to believe we'd get front end hogs up over \$1.00 when the daily slaughter tally was a new record at 464,000 head. Along with that record kill, we're posting weekly pork production records. It wasn't just the daily gain that was impressive though..., since late September the December contract has rallied about \$8. That's a big performance in a market buried in production.

Fed Cattle Exchange internet trade had 919 head of cattle consigned this week and 230 of those sold for a weighted average of \$109 live on 1-9 day delivery cattle. Both of the lots that sold were in Kansas and two other lots passed on \$109 bids. I'm not very impressed with that sale considering its \$2 lower than the bulk of the negotiated trade that took place last week. I'm also not at all impressed with the fact the consignments are small and quite a few times there's zero cattle that sell. It's a great concept and it still leads to some cash market discovery, but I'm not about to give it credit for being a great tool yet. It needs a LOT more volume to make it into that camp.

Tomorrow afternoon we get month COF data released. The range of guesses in the estimates show the On Feed total between 103.4% and 105% of a year ago. Placements in the month of September are expected in a range of 103.4% up to 108.7%. Marketings last month are estimated between 101.2% of a year ago, up to 103%. If those placements come in bigger than a year ago, which I'm very confident they are going to, it will be the 7th consecutive month of larger year-over-year in movement. The last time placements were lower than the year prior was in February and they were only down 1% that month.

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Weekly export sales data in the meats this morning showed net pork sales of 11,400 mt's, which is a bearish number. Actual exports were neutral to a little friendly at 21,100 mt's. That net number was down 28% from last week and 51% under the 4-week average though... Net beef sales were a little bearish at 13,600 mt's, which is up 5% from last week, but 13% off the 4-week average. Actual exports were 15,900 mt's which was neutral.

Cattle slg. ___118,000 unch wa +4k ya

Choice Cutout __197.26 -.40

Select Cutout ___189.09 -.76

Feeder Index: ___155.26 +.20

Lean Index. __ 62.21 +.21

Pork cutout ___73.88 -.93

IA-S.MN direct avg ___ 62.58 +1.17

Hog slg. ___ 464,000 +1k wa ++25k ya

Grain and oilseed trade was under mild pressure yesterday in everything. When you couple comfortable crop sizes and ending stocks totals like we got in last week's reports with lack of much bullish news, the path of least resistance is lower. It wasn't a lot lower yesterday, but it was still lower nonetheless.

Yesterday's announcement that we wouldn't be dialing back the RFS anytime soon, is likely what helped to prop things up in the overnight action. The two things under consideration by the EPA were a reduction in biofuel requirements and a proposal to allow exported renewable fuels to count towards domestic quotas. The Trump administration apparently pulled the reins back on those dealings for the time being.

Egypt announced a wheat tender for early Dec shipment yesterday afternoon. Their last business was 8 days ago with 100% of it being filled with Russian wheat. Offers showing up this morning were solely from Black Sea origin, along with one lonely offer of French wheat. I'm guessing 100% of the order is filled with Black Sea wheat and it's disheartening that the US isn't even in the same ballpark from a price offer standpoint.

Weekly export sales data this morning was neutral to a little bearish for corn and soybeans, neutral to friendly milo and bullish wheat finally! Wheat sales were 22.6 mln bushels, bringing

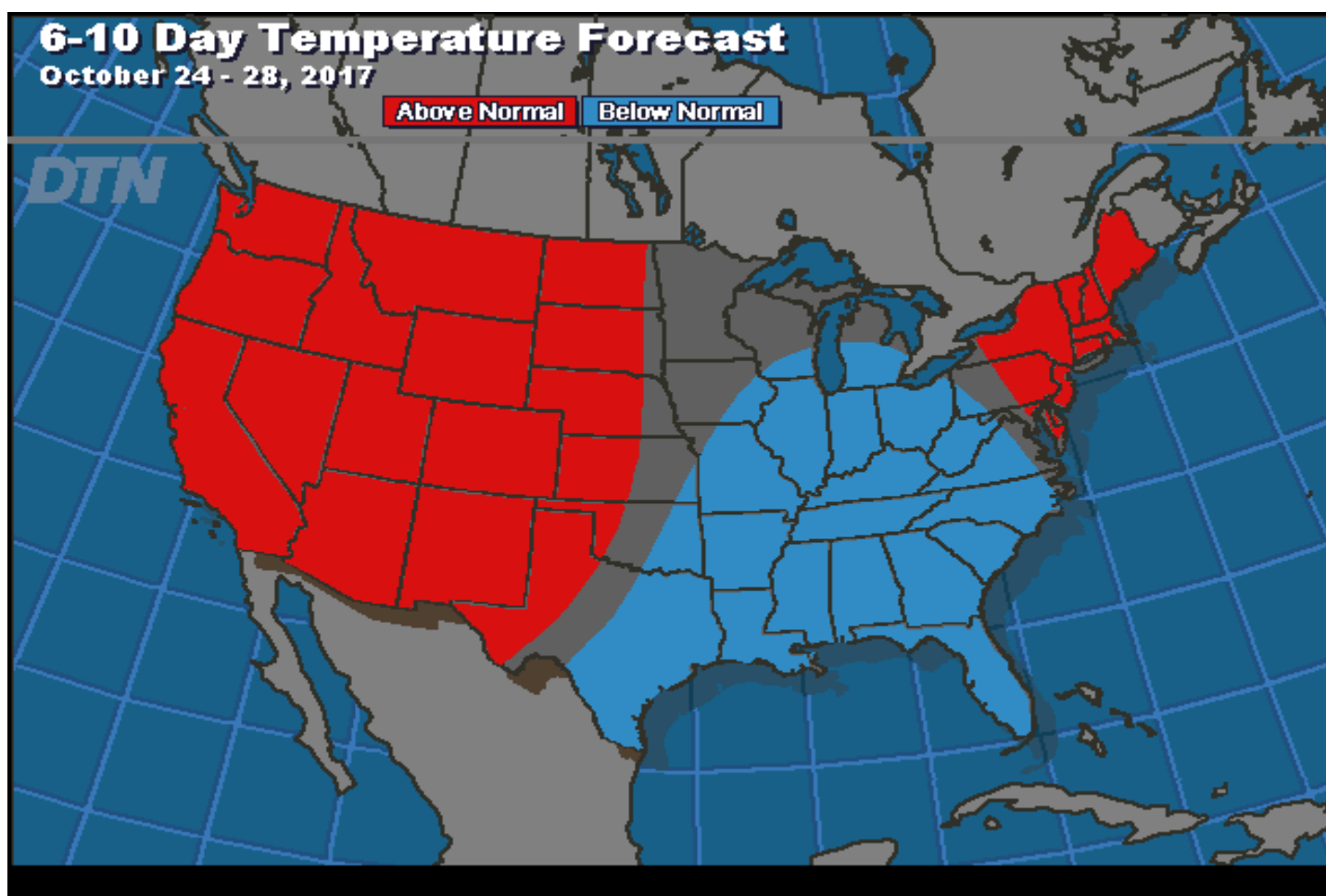
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ytd commitments up to just 22.8 mln behind last year at the same time. Percentage-wise, that's only 4% behind last year and USDA has us penciled in to have lower than year ago exports in the first place.

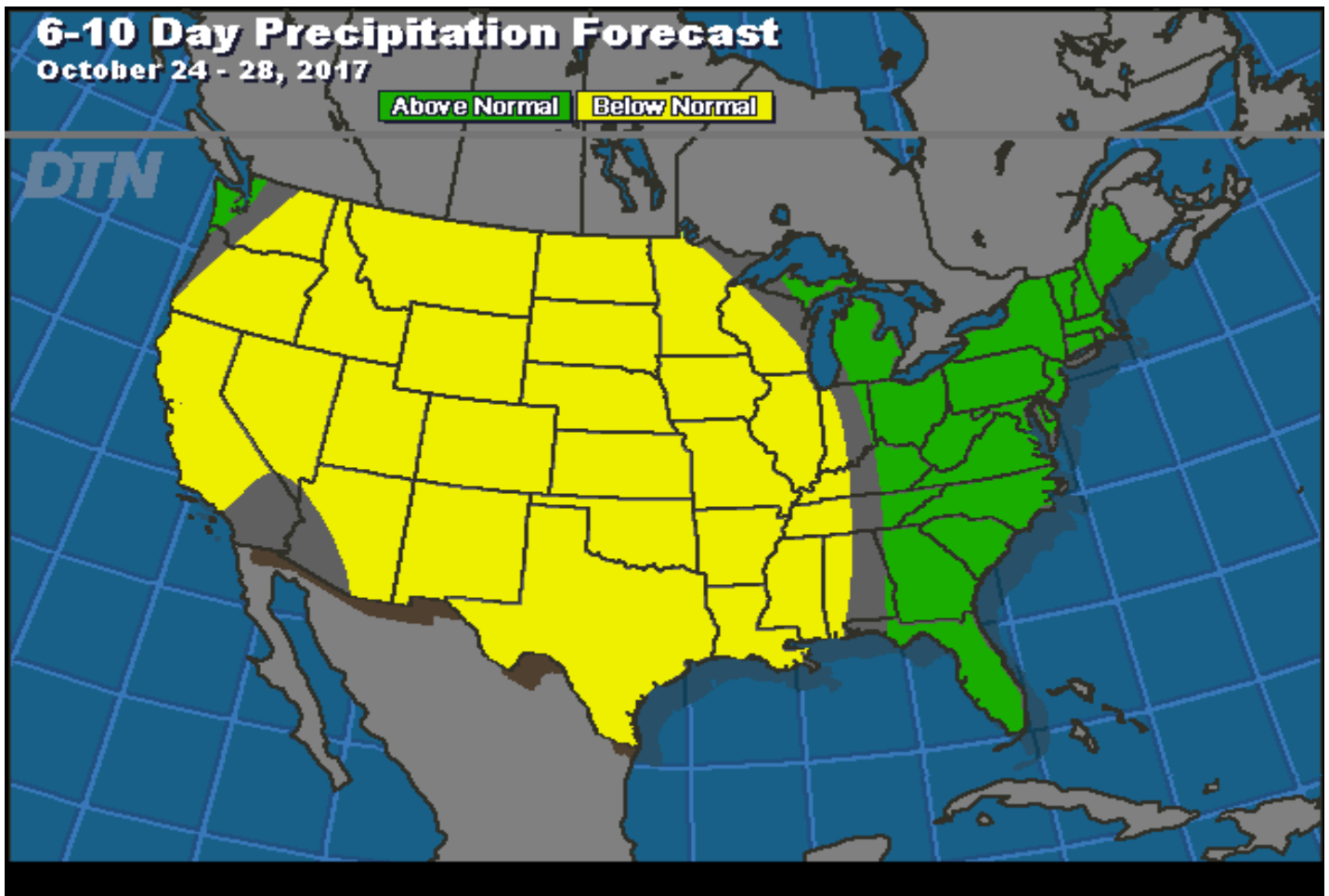
Corn sales were 49.4 mln bushels, which is a decent number under a normal scenario, but this year isn't normal for corn. Cumulative corn sales are 34% behind last year at the same time. Plus, if my memory serves me right, actual shipments are about half what they were last year at the same time.

Soybean sales were 46.9 mln bushels this morning, which is good, yet the beans are suffering from a lagging pace, kind of like corn, although not as extreme. Cumulative sales in beans this year are 966 mln bushels, which is down 17% from last year. USDA has soybean exports for the year to be up 3% over last year. Both of the fall crop markets need a big uptick in the pace.



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