Today's USDA Crop Progress Report provided little insight into how much damage frost across the Northern Plains may have done on Saturday, August 21. Both the corn and soybean crops deteriorated only slightly according to USDA with the percentage of corn acres rated as Good or Excellent falling from 71% to 70% and the same measure for soybeans falling from 67% to 64%. Those numbers compare to only 46% and 45% for corn and soybeans, respectively, one year ago. Two percent more soybean acres fell in the Poor and Very Poor categories this week versus last week.

CBOT soybean futures contracts for November through July 2005 were 20-25 cents/bushel higher today (see the chart for November soybean futures at left). In addition to the small deterioration in crop condition reported by USDA, a long-term weather forecast that calls for very low temperatures in the Northern Plains again late next week definitely impacted today’s trading. If that is not enough, throw in general concern that cool temperatures will cause soybean plants to begin shutting down before pods are filled and beans are fully developed and it is easy to see how the bulls are controlling the soybean complex at present. The USDA report indicates that the maturity of this crop is very close to last year and five-year averages — but setting pods and dropping leaves is a far cry from a big yield.

While the condition of the corn crop is outstanding, its maturity is definitely lagging. As can be seen in the table at upper left, a significantly lower portion of this crop has reached the three major maturity levels as of August 29 this year versus last year and the five-year average. Only 6% of Minnesota’s crop is dented where 44% is usually dented by this time. Only 29% of North Dakota’s crop is in the dough stage where an average of 90% has been in the dough stage this time over the past five years. Another early frost would certainly take the luster off of this expected record crop — especially if it reaches well into Iowa.

The Moore Research Reports provided by CME include several historically profitable seasonal and spread trades that require the placement of initial positions from August 25 through August 31. Five separate trades involve Dec and June Live Cattle, Oct and Dec LH and Sept Feeder Cattle. The Moore Research Reports can be downloaded at [http://www.cme.com/prd/ag/res/moore3356.html](http://www.cme.com/prd/ag/res/moore3356.html) . A summary of pork trades is found on page 107-110 of the Pork book while the beef trade summary is found on page 137-140 of the Beef book. Please read the statement on page two regarding the risk involved in commodities futures trading.
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MORE CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED OVER THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN A SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR PERIOD OF THE YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES, AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST OR WILL IN THE FUTURE ACHIEVE PROFITS UTILIZING THESE STRATEGIES. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. RESULTS NOT ADJUSTED FOR COMMISSION AND SLIPPAGE.