



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Livestock futures were mixed to end the week with both cattle and hogs futures bouncing around all week. Fat cattle at least saw some cash and futures convergence with the April contract expiring this week at \$145.82 and cash feedlot trade in the South done mostly at \$146. Trade held off until late Friday with feedlots holding firm and able to secure steady to \$1 higher prices than a week ago. In the North most cash trade was done at \$238 on a dressed basis which is \$3 higher than a week ago. The top end was \$240 on light volume. June is now the nearby and sitting some \$8 back from cash.

Feeders continue to impress with futures breaking the \$190 mark this week and all eyes looking for those \$200 feeders. Impress or surprise may be the better the word with live cattle mostly steady the past weeks and corn range bound near the \$5 mark.

For the week, June fats +1.27, May feeders +3.50 and May hogs -3.70

Cattle slaughter from Friday estimated at 118,000 head, up 2,000 from week ago and unchanged from a year ago. For the week, 608,000 head compared to 585,000 a week ago and 622,000 a year ago. Year to date percentage difference improved slightly now at 6.1% less.

Choice Cutout__228.38 -1.96

Select Cutout__217.47 -3.51

Feeder Index:___179.56 +.53

Hog slaughter from Friday estimated at 412,000 head, down 4,000 from a week ago and up 13,000 from a year ago. For the week 2,019,000 hogs up 20,000 from a week ago and down 72,000 from a year ago. Year to date difference at 4.2% less.

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Lean Index. __112.47 -.32

Pork carcass cutout __113.97 +.19

IA-S.MN direct avg __112.33 -.17

Moving on to the grains,

Wheat jumped higher again supported by continued dry weather in the Southern Plains and the KS wheat crop tour results at 260.7 MBU compared to last year's 319.2 MBU production. This could be the smallest crop since 1996 and lowest yield since 2001. Corn was pressured most of the day as the planting pace should pick back up steam this week. Beans finished mixed, old crop getting back some of Thursday's loss as new crop fades.

For the week May Corn finished -13, December -12 ¼, May & November Soybeans -17 ¼, May KC Wheat +56, July +42 ¼, May Chicago Wheat +7 ½, and July +7 ¾

Overnight grains were all higher led again by the wheat pits with all three 10-16 higher, soybeans and corn up 1-4 as well.

This morning Stats Canada released their Quarterly Stocks Report. As of the end of March, all Wheat stocks slightly lower than expected at 21.25 MMT.

Rumors continue to circulate about additional US imports of soybeans from Brazil heading into the gulf and upriver.

Traders are keeping a close eye on the Ukraine situation as tensions seemed to rise over the weekend, Russia continues to hold steadfast and the death count has risen. Again, this year's exports have yet to be effected but some are concerned that financing issues could decrease the overall production and potential export business for Ukraine.

No rain yet again for wheat country and with temps in the 90's to 100's and continued wind, our crop continues to deteriorate. Prices continue to rally and it appears we will see more Canadian hard red spring moving into the US replacing miller's needs for hard red winter. Exports will remain light with black sea origins now some \$70-\$80 cheaper than US for hard wheat and even \$20-\$25 cheaper for soft wheats.

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Crop progress and conditions will be updated later today. Corn planting estimates range from 25% to 40% complete compared to last year's 12% and a 5 year average of 47%.

Weather for this week looks to be warmer than normal for the next couple days, followed by a chance for storms midweek and cooler temps to follow. The 6-10 outlook shows normal to above to normal temperatures and precipitation for the East with below normal temperatures and normal precipitation for the West.

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