



## **Loewen and Associates**

**Commodity Consulting/Brokerage**

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### **Morning Ag Markets**

**Matt Hines**

Cattle futures tried to hold some light support from the winter weather we have especially in the live cattle pit but pressure on feeders from the bearish cattle inventory report ended up spilling over and winning out for the day. By midday feeders hit their limit \$4.50 lower pulling fats down triple digits as well. On the cash side calves and feeders rebounded with steady to \$7 higher reported in Joplin and in OKC feeders \$2 to \$12 higher with calves \$5 to \$15 higher.

Cattle slaughter from Monday estimated at 105,000 head, down 7,000 from a week ago and down 6,000 from a year ago.

Boxed beef cutout values steady on light to moderate demand and offerings.

Choice Cutout\_\_242.61 +.17

Select Cutout\_\_235.60 -.14

Feeder Index:\_\_211.54 -.15

Hog slaughter from Tuesday estimated at 401,000 head, down 34,000 from a week ago and down 22,000 from a year ago.

Lean Index.\_\_70.35 -.78

Pork carcass cutout\_\_78.48 +.15

IA-S.MN direct avg\_\_65.54 -.47

Feeder cattle limits are expanded today to \$6.75. Monday's losses took out most all of last week's gains in the cattle pits while hogs continue to slide lower. March feeders may take a run at the recent low at \$195.40 while fats have support at \$152 with the recent low down at \$148.37.

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Over in the grains, corn and soybeans traded both sides of unchanged but couldn't hold positive in the end while wheat came under pressure down \$.05 to \$.10 throughout the day. Export shipments picked back up for soybeans with 62.4 MBU shipped for the week ending January 29<sup>th</sup>. China took 22 vessels compared to only 14 the previous week. Year to date shipments at 1.377 BBU vs 1.159 BBU a year ago. Wheat shipments were 394 TMT or 14.5 MBU. Total year to date to now at 555 MBU vs 811 MBU last year. Shipments this week included 3.4 MBU spring, 5.3 MBU hard red, 2.5 MBU soft red, and 3.3 MBU white. Corn shipments were 662 TMT or 26.1 MBU, off about 9 MBU from the previous week. Takes total to 588 MBU vs 575 MBU last year. Sorghum shipments were 128 TMT or 5 MBU taking year to date to 151 MBU vs 54 MBU last year.

After the close, monthly condition reports are still limited but were expected to show improvement from last month due to the increased precipitation across most of the winter wheat crop. Kansas, Oklahoma, and Texas all show good to excellent conditions at 41% to 46% with poor to very poor at 13% to 16%. Nebraska and South Dakota were even better at 61% and 58% good to excellent and 3% and 5% poor to very poor respectively.

Overnight grains have started the turnaround Tuesday with corn up 4 to 5, soybeans up 10 to 11 and wheat up 5 to 7.

News overnight was fairly light. Egypt has tendered for some additional wheat with early offers from France and Romania the cheapest so far and down \$25/MT or \$.68/BU from the last offers a couple weeks ago.

Informa will be out with its world crop report later today and Stats Canada will be out with its December 31 grain stocks report on Wednesday.

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