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Lean hog futures continued their slump on Wednesday and it goes without reason why the undertone continues to be bearish. Daily kills are huge, chart technicals are incredibly weak and cash can't seem to gain any traction at all despite the fact this is seasonally the time of year for those cash values to start heading higher. The only supporting factor for the hogs is the fact beef product price is sky high and not even remotely close to being competitively priced in the wholesale or retail chain. Without these giant kills I think cattle would be supporting hogs, but there is just too many pounds hitting the market to all that to happen.

Live and feeder cattle futures shot actively higher with a pair of live contracts settling up the $3.00 limit and feeders having a pair up their $4.50 limit as well. The only two feeder cattle contracts that weren't up over $4.00 were the January 2016 contract that probably didn't make it just due to the sheer lack of volume in that deep deferred contract and the spot March. March futures are somewhat limited by being the front month and close to expiration and is now close to $2.00 over the cash index. It wasn't that long ago that cash feeders were a steep premium to futures and now those roles have been reversed.

Tomorrow afternoon we get monthly COF numbers. With another light month of placements in February likely showing up on that report, total On Feed numbers are expected to below year ago levels by around 0.5%. Placement guesses range from 88.2% of a year ago up to 95% for the month of February. Marketings are pegged in a range from 90.9% to 99.9% of a year ago, which is a huge discrepancy compared to normal marketing total ranges. It isn't uncommon to have a 9%-10% range in placement guesses, but not those marketings. Report numbers come out tomorrow afternoon at 2:00 pm, which is 5 minutes after the cattle futures close on Fridays.

Cattle slg.___107,000 +4k wa -11k ya

Choice Cutout__246.80 -.24 Select Cutout___244.47 -.32

Feeder Index:___212.62 -.40

Lean Index.__64.09 -.47   Pork cutout___68.56 +.40

IA-S.MN direct avg__58.59 -.77

Hog slg.___436,000 +3k wa   +23k ya

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After testing out new recent low territory in corn and soybean futures on Tuesday, markets rebounded nicely yesterday. Soybeans were just a shade over double digits higher, but corn only managed to gain 2-3 cents across the board. Wheat showed nice gains with several KC contracts finishing in the doubles higher. Chicago was in the range of 7-8 cents better. The wheat chart looks short term positive still, while the corn and beans look BAD after Tuesday's new lows were posted. It was nice to see the good gains yesterday in those fall crops, but continuing higher will be hard fought since the specs will likely be willing sellers on rallies unless fundamentals turn more positive. One major helpful factor yesterday was the fact the dollar index had a HUGE drop going on at one point that helped buoy everything in the Ag's except the hog contracts.

6-10's last night showed below normal temps and above normal precip for the entire Corn Belt.

Export sales numbers this morning were neutral to bearish corn and wheat and bullish beans. The old crop soybean total was 12.6 mln bushels, plus an additional 200,000 bushels new crop. Wheat sales were 14.4 mln old and 5.3 mln new crop. Corn was 19.8 mln old and 2.6 mln new crop. The milo total was 7.2 mln old which is really good, along with a big 6.5 mln new crop number as well. Cumulative milo sales this year in the commitment category are 316 mln bushels compared to 136.3 mln last year at the same time. There has already been 180 mln shipped in this marketing year, which is bigger than last year's total commitments on this date. In the big picture, the bullishness of the milo situation somewhat tames the bearishness of the corn exports.

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