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Choppy day for the cattle complex with live and feeder cattle futures both spending time at moderate to active losses before rebounding some into the close. Live cattle finished flat to lower on the front two months, but mildly higher on all of the deferred contracts. Feeders closed higher on a couple of the deep deferred futures, but mildly lower on the front 6 contract months, which is all the way out through the October.

Hogs were lower early, then actively higher later and lost some steam heading into the close to finish just mildly higher. The big picture from Friday's quarterly hog and pig report was bearish, but it wasn't as bearish as the pre-report guesses. With the assumption that the average estimate had already been baked into the futures market with the steep drop in recent months the only clear market moving potential was if actual numbers came in considerably different than the guesses. Some of the farrowing numbers were far enough below the guesses that the only obvious reaction from the report should have been moderate to strong gains in the deferred months and stagnant trade on the front end.

The lower open didn't elude to any report reaction at all, but Oct, Dec and Feb futures did end up closing in the triple digits higher and that made the settlements line up perfectly with the expectations following the report. There was just a little confusion in the process of getting there. The report may have confirmed that the hog market has either found or is near a bottom, yet that doesn't in any way make the market bullish. All it does is take some of the steam and aggressiveness out of strong selling potential and the ability to maybe start forging a bottom in hopes demand can somehow eat up the massive supply that is being produced at the current kill rates.

Cattle slg. ___109,000 +5k wa -7k ya
Choice Cutout __251.70 +.90
Select Cutout __247.62 +.91
Feeder Index: __217.73 +1.02
Lean Index. __59.96 -.43
Pork cutout __65.39 +.04

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IA-S.MN direct avg__56.62 +.71
Hog slg.___435,000 +1k wa +38k ya

Grain market action yesterday was higher across the board, but the fall crop markets of corn and soybeans were really lackluster. Wheat on the other hand was fully engaged in weather rally, driven by a consistent flow of winter kill damage pictures hitting the internet chat rooms from central and north High Plains HRW wheat areas, as well as the escalating drought talk from Kansas.

Wheat ratings that hit the press after the close yesterday showed Texas wheat 55% g/ex, unchanged from last week and WAY over the 11% from last year at the same time. Oklahoma was 44% g/ex, also unchanged and well above the 17% last year. Kansas dropped 2 points out of g/ex to 39%, but that is still 7 points ahead of a year ago. The only thing that surprised me from those numbers was that Kansas conditions didn't decline more.

Corn planting progress in the south showed Texas at 20% done, Louisiana 16% complete, Miss. 4% and Arkansas 2%. All of those numbers are well under year ago levels as most of those areas fight the mud from too much moisture.

11:00 this morning is the release of the quarterly stocks and prospective plantings numbers for the grain and oilseed markets. Quarterly stocks guesses are 7.6 bln corn, 1.34 bln beans and 1.14 bln wheat. The stocks numbers will be overshadowed by the planting intentions, but in reality that should be the other way around as there is a chance for some fireworks in the stocks numbers if corn and beans come in below the estimates. I seriously doubt wheat will be below the guesses.

Average guesses for planted acreage are 88.7 mln corn acres compared to 90.6 last year. Bean guesses are 85.9 mln up from 83.7 last year. Wheat is pegged at 55.6 mln versus 56.82 last year. Milo acres have an average guess of 7.6 mln versus 7.1 last year. That one may come in even larger is my guess.

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