



## **Loewen and Associates**

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### **Morning Ag Markets**

#### **Matt Hines**

Cattle futures raced higher again Friday with cash feedlot trade higher to end the week. KS trade was reported at \$163 which is \$2 higher than a week ago. In Nebraska, cash feedlot trade took place at \$165 live and \$263 on a dressed basis, \$2 to \$4 higher than a week ago. The trend remains bullish with continued tight supplies and the upcoming grilling season knocking on our door.

The Quarterly Hogs & Pigs Report from Friday afternoon showed United States inventory of all hogs and pigs on March 1, 2015 was 65.9 million head. This was up 7 percent from March 1, 2014, but down slightly from December 1, 2014. Breeding inventory, at 5.98 million head, was up 2 percent from last year, and up 1 percent from the previous quarter. Market hog inventory, at 60.0 million head, was up 8 percent from last year, but down slightly from last quarter. The December 2014-February 2015 pig crop, at 28.8 million head, was up 9 percent from 2014. Sows farrowing during this period totaled 2.83 million head, up 2 percent from 2014. The sows farrowed during this quarter represented 48 percent of the breeding herd. The average pigs saved per litter was a record high 10.17 for the December-February period, compared to 9.53 last year. Pigs saved per litter by size of operation ranged from 7.90 for operations with 1-99 hogs and pigs to 10.20 for operations with more than 5,000 hogs and pigs. United States hog producers intend to have 2.87 million sows farrow during the March-May 2015 quarter, up 2 percent from the actual farrowings during the same period in 2014, and up 2 percent from 2013. Intended farrowings for June-August 2015, at 2.93 million sows, are down 2 percent from 2014, but up 1 percent from 2013. The total number of hogs under contract owned by operations with over 5,000 head, but raised by contractees, accounted for 46 percent of the total United States hog inventory, down from 48 percent last year. Revisions All inventory and pig crop estimates for March 2014 through December 2014 were reviewed using final pig crop, official slaughter, death loss, and updated import and export data. An upward revision of 0.1

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percent was made to the December 2014 all hogs and pigs inventory. The net revision to the September 2014 all hogs and pigs inventory was 0.9 percent. A net revision of 2.9 percent was made to the June-August 2014 pig crop. Overall this should be friendly to deferred months based on farrowings and intentions all coming in below the estimates. Larger than expected market hog numbers should keep front end gains in check compared to the back months.

For the week, Friday to Friday, April Live Cattle up \$4.27, June up \$2.50, April Feeder Cattle up \$3.07, August up \$3.15, April Lean Hogs up \$2.67, June up \$1.15

Cattle slaughter from Friday estimated at 95,000 head up 12,000 from a week ago but down 15,000 from a year ago. For the week, 531,000 head, up 13,000 from the week previous but down 57,000 from a year ago. The year to date difference is now at 7.1% less.

Boxed beef cutout values steady on light to moderate demand and offerings.  
Choice Cutout\_\_250.80 +.13  
Select Cutout\_\_246.71 -.25  
Feeder Index:\_\_216.71 -.92

Hog slaughter from Friday estimated at 422,000 head, up 7,000 from a week ago and up 61,000 from a year ago. For the week, 2,270,000 head, up 33,000 from a week ago and up 239,000 compared to a year ago. The year to date difference is now up to 4.2% more.

Lean Index.\_\_60.39 -.42  
Pork carcass cutout\_\_65.35 -1.90  
IA-S.MN direct avg\_\_55.91 - .87  
National Average\_\_55.28 -.67

Cattle futures are called higher to start the week with some spillover support from the higher cash feedlot trade and follow-through buying. Lean hog futures are seen mixed though with pressure on the front months and support on the deferred from the Quarterly Hogs and Pigs report.

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Grain finished mixed Friday and for the week. Wheat has been getting beat up this past week with Russia lifting its export tax and weather getting much better but prices took a break Friday to bounce higher. Corn was back and forth Friday

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and higher for the week with not much news and most just waiting now for the Quarterly Stocks and Planting Intentions Report this Tuesday. Soybeans were under pressure Friday and most of the week as demand continues to shift from the US to South America and traders still feel US soybean acres will be higher than a year ago.

For the week, Friday to Friday, May Corn up \$.06, December up \$.05 ½, May Soybeans down \$.06 ½, November down \$.07 ½, May KC Wheat down \$.16 ½, July down \$.17 ¼, May Chicago Wheat down \$.22 ¼, July down \$.21 ¾ and May Soybean Meal down \$2.60/T.

Overnight corn and soybeans chopped above and below unchanged. Corn finished mixed with only a couple cent trading range while soybeans finished ½ to ¾ lower with a 5 to 6 cent range. Wheat finished 2 to 5 higher in all 3 pits.

This morning USDA announced a private sale of 131,172 or 5.1 MBU of old crop corn for unknown destinations.

The condition reports on Monday are expected to continue to show slowed progress on corn planting in the Delta and Mid-south states. If they show it, the northern plains are making record progress on planting spring wheat, oats, and barley due to warm temps and dry grounds. Wheat conditions should show some improvement as well in the Sothern Plains.

## Tuesday's USDA Quarterly Stocks and Planting Intentions Report

### U.S. March 1 Inventory Forecasts

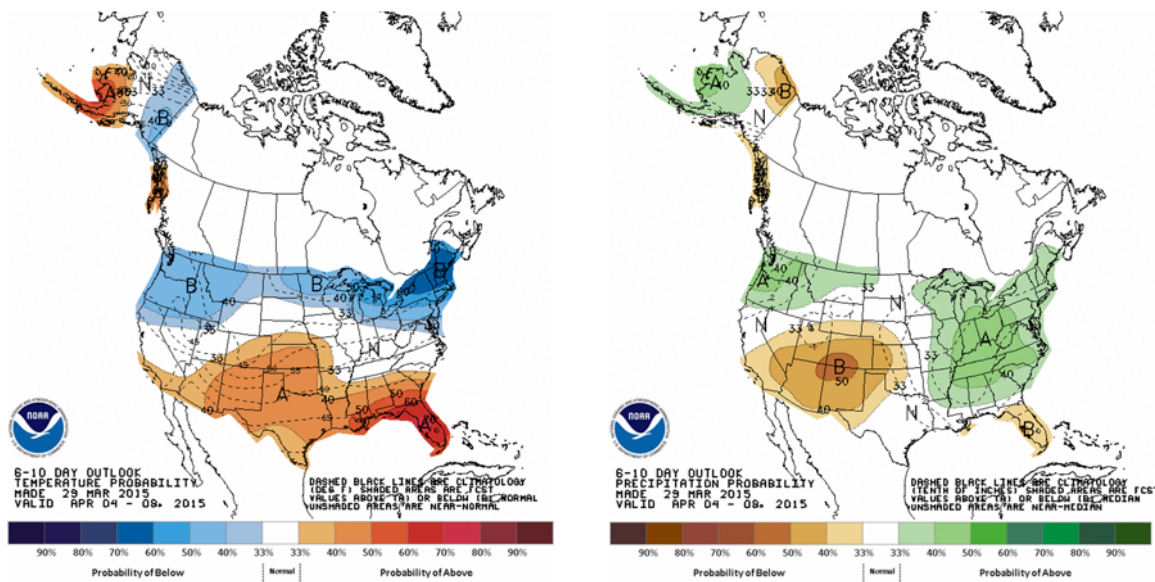
	Analysts Estimates		Previous USDA	
	Average	Range	March 1, 2014	Dec. 1, 2014
Corn	7.609	7.459-7.800	7.008	11.203
Soybeans	1.348	1.250-1.413	0.994	2.524
Wheat	1.141	1.083-1.200	1.057	1.525

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	Planted Acreage		USDA Estimates	
	Analysts Estimates		Final	February
	Average	Range	2014	2015
Corn	88.866	87.000-89.900	90.597	89.0
Soybeans	85.950	83.100-88.000	83.701	83.5
Wheat	55.648	54.950-56.800	56.822	55.5
All Winter	40.660	40.300-42.000	42.399	40.452
Spring Wheat	13.119	12.100-14.503	13.025	n/a
Durum Wheat	1.700	1.400-2.200	1.398	n/a
Sorghum	8.148	7.600-8.800	7.138	n/a
Barley	3.167	3.000-3.550	2.975	n/a
Oats	2.838	2.600-3.250	2.723	n/a
Rice	2.836	2.660-3.000	2.939	n/a

6-10 day maps showing above normal temperatures southern half of US and above normal precipitation eastern half.



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