



Loewen and Associates

Commodity Consulting/Brokerage

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Date: 4.6.15

Morning Ag Markets

Matt Hines

Cattle futures were strong on Thursday and to end the week while hogs were mixed with mostly sideways to higher trade last week. Both live cattle and feeders reached up for new nearby highs and packers paid up another \$2 to \$3 compared to the week previous. Texas and Kansas reported sales at \$167 live with one out of Colorado as high as \$169. In the North, cash feedlot sales took place at \$167 to \$169 live as well and \$265 to \$266 on a dressed basis.

For the week, Friday to Friday, April Live Cattle up \$.40, June also up \$.40, April Feeder Cattle up \$1.10, August down \$.67, April Lean Hogs up \$2.05.

Cattle slaughter from Friday estimated at 97,000 head down 1,000 from a week ago and down 9,000 from a year ago. For the week, 525,000 head, down 9,000 from the week previous and down 62,000 from a year ago. The year to date difference is now out to 7.3% less.

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

Choice Cutout__255.57 -.37

Select Cutout__249.29 -1.17

Feeder Index:__last quote from 4/1, 219.89 +1.24

Hog slaughter from Friday estimated at 411,000 head, down 11,000 from a week ago but up 41,000 from a year ago. For the week, 2,199,000 head, down 71,000 from a week ago but up 185,000 compared to a year ago. The year to date difference is now up to 4.5% more.

Lean Index.__59.58 -.04

Pork carcass cutout__65.75 +1.31

IA-S.MN direct avg__56.39 -.95

National Average__55.98 -1.14

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Cattle futures are called higher to start the week with some spillover support from the higher cash feedlot trade and follow-through buying. It appears we have entered a full-fledged spring rally now with cash feedlot trade knocking on the door of record high prices. Futures are still some \$10 to \$15 away from contract highs though. Lean hog futures are seen mixed to lower with cash calls \$1 lower as well.

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Grains were mixed Thursday with corn slightly higher to end a mostly lower week after the USDA report on Tuesday. Soybeans finished mixed but higher for the week. Wheat found a strong rally has weather remains dry in the southern plains and winterkill is becoming more evident in areas of western KS. Export sales last week were under expectations with soybeans at 27,400 MT or just above 1 MBU, corn sales at 406,600 MT or 16 MBU and wheat sales at 162,100 MT or just shy of 6 MBU old crop and 131,000 MT or 4.8 MBU new crop. Year to date sales for soybeans now at 1.78 BBU vs. 1.63 BBU last year and corn year to date at 1.47 BBU vs. 1.62 BBU at this time last year.

For the week, Friday to Friday, May Corn down \$.04 ½, December down \$.04 ¼, May Soybeans up \$.18 ¾, November up \$.25 ½, May KC Wheat up \$.29 ¾, July up \$.28 ¼, May Chicago Wheat up \$.28 ½, July up \$.23 ¾.

Overnight corn finished 1+ higher with soybeans steady to down 1. Wheat finished 3 to 5 higher.

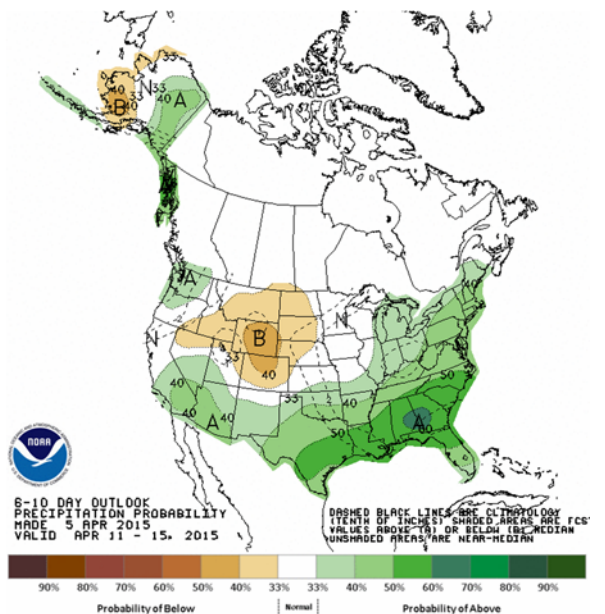
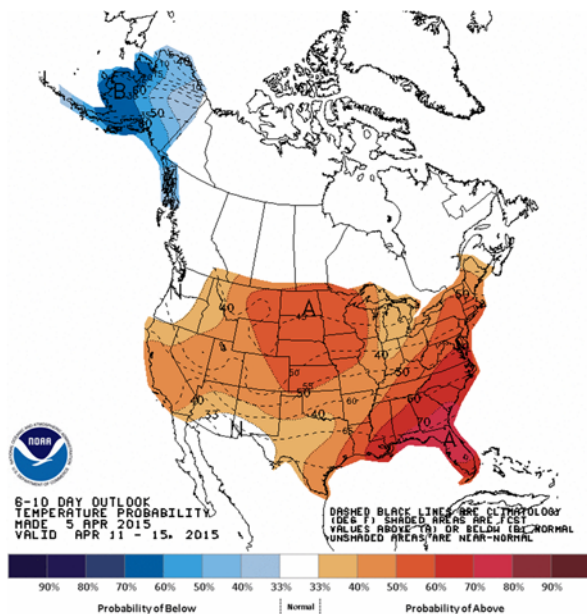
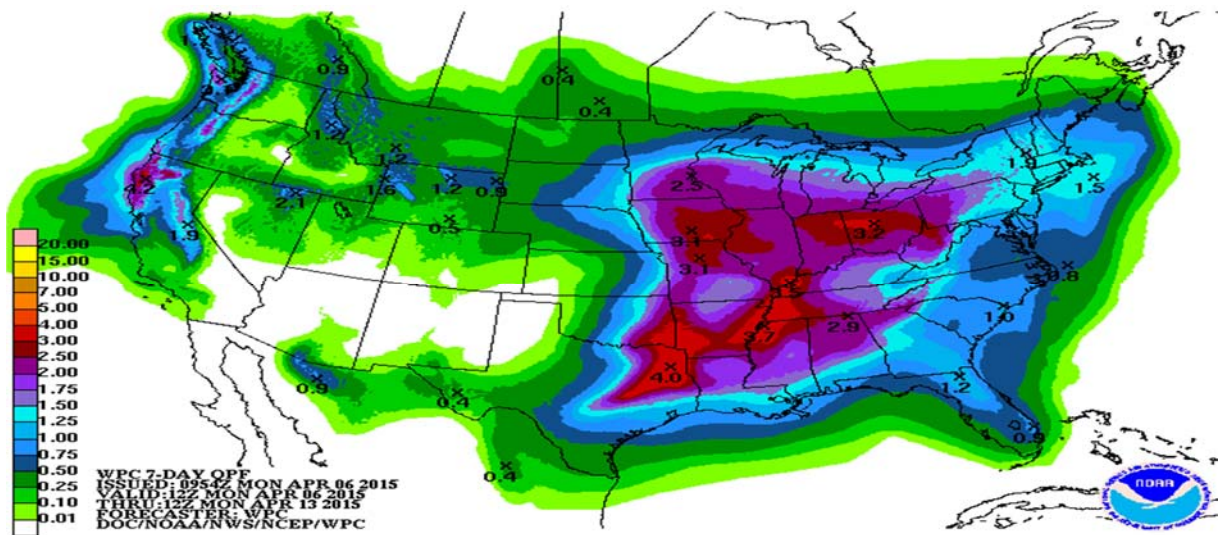
Over the weekend, Saudi Arabia bought 780,000 MT or 28.66 MBU of hard Wheat for June/August shipment. The Wheat can be sourced from the EU, North America, South America or Australia.

China has stepped up inspections of Australian imports for Johnson grass seed and stepped up efforts to stop the smuggling of meat and grain. This news does not bode well for US sorghum exports into China as we do not need to see any disturbances to keep this rapid pace going.

It could be a very wet week and we sure hope so locally and in wheat country but the latest weather models indicate the majority will be further East with 2 to 4 inches forecasted for the Corn Belt and Delta. The 6-10 day maps show above normal temps for the entire US and above normal precipitation for the East Coast and Southeast.

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Corn futures are still range bound with May trading from \$3.70 to \$4.00 since mid-January and the December contract stuck between \$3.90 and \$4.20. May soybeans are still holding a downtrend since mid-January with support at \$9.78 and resistance at the \$10 level. Both KC and Chicago wheat futures are still holding a nearby uptrend with resistance at \$5.87 for the May KC contract and \$5.48 for May Chicago.

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