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Meat complex trade was mostly higher all day in the hogs, but the live and feeder cattle traded actively on both sides of unchanged, although they both closed just quietly higher. Negotiated cash feedlot trade was a bust last week with the limited trade that did occur happening at quite a bit lower money than the previous trade. The precursor to that lower cash, coming on the heels of some stout momentum to the upside in previous weeks was heavy selling in futures that beat down the resolve of the sellers. Adding to the misery is an even stouter discount in June Live Cattle of around \$10 under the April board. When that June becomes spot in a couple of short weeks, that discount provides an even stouter psychological barrier to cash, which probably helped shake loose the lower sales last week as well. It is going to take a strong rally in futures to stop the slide, especially getting so close to the expiration of the April contract and the big discount there yet.

Cattle slg.____109,000 +13k wa -6k ya

Choice Cutout__257.70 +1.19

Select Cutout__249.19 -.72

Feeder Index:____219.57 -.11

Lean Index.__60.74 +.39

Pork cutout__65.97 -.17

IA-S.MN direct avg__62.38 +1.35

Hog slg.____452,000 +164k ya +77k ya

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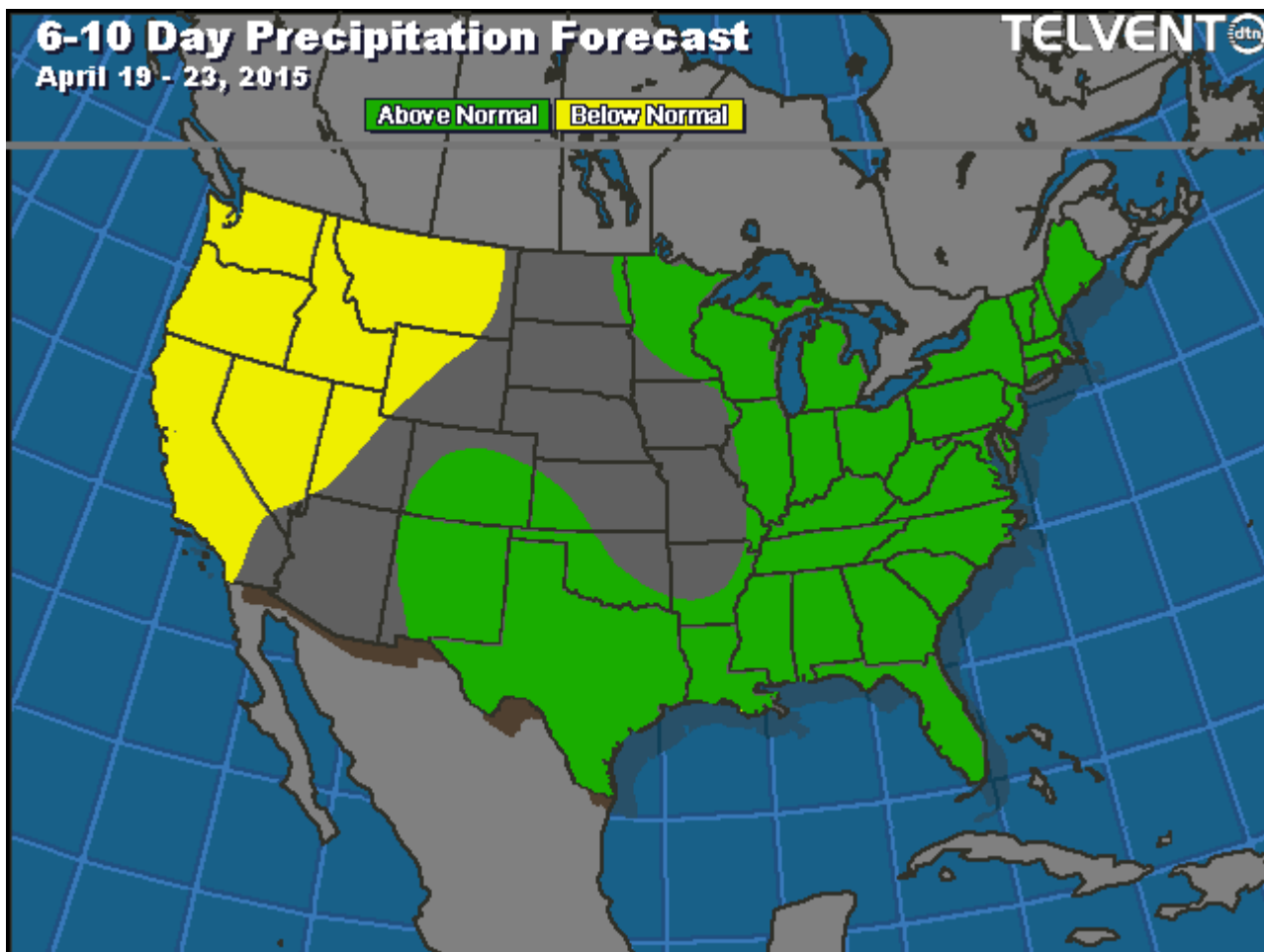
Corn and soybean trade was mildly lower most of the day on Monday, but the wheat market got absolutely pummeled. With the forecast calling for good rain chances over HRW wheat areas, it really didn't matter that what fell over the weekend missed a huge swath of extreme dry country. The mentality of the trade was "rain makes grain" and the results of that attitude were ugly. In my estimation, the rains that fell over the weekend beneficially covered around 25%-30% of the critical areas including locations in the Texas Panhandle, Western and Central Oklahoma and Southern Kansas. The eastern 1/3 of Kansas had really good coverage, but that area is also fairly insignificant in the scope of total wheat acres. I'll have to go out on a limb and guess that traders were also looking at the forecast for this week showing a lot more potential coming as ammunition to extract every ounce of weather premium out of the market that has been added since the early April high. Last night the futures in July KC got within 3 cents of matching contract lows. That was UGLY trade!

Crop condition ratings that came out after the close yesterday afternoon showed g/ex ratings in the three major HRW wheat states down 7% in Oklahoma, 5% lower in Kansas and Texas g/ex ratings dropped 2%. Nationwide, the g/ex condition ratings were 42%, while p/vp was 19%. The g/ex dropped 2 points from last week, while the p/vp category increased by 3 points. Compared to the previous year g/ex ratings are 7% better this year and p/vp ratings are 17 points less, meaning the crop is still overall rated far better than a year ago.

Spring wheat seeding progress was 17% complete nationwide versus 5% last year and 11% on average. The corn planting pace was pegged at 2% done versus 3% last year and 5% on average.

6-10 day forecasts last night called for below normal temps and above normal precip east and south, along with normal in the central and northern plains. The above normal precip included most of the central and southern High Plains, but slid back down to normal from NW Kansas on north.

6-10 map on next page



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