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For the second trading day in a row, live and feeder cattle futures sunk under heavy pressure as speculators and managed money were heavy on the sell side based on recent chart damage. Expanded limits took at least 1 live cattle contract down more than \$3.00 lower at the finish. The vast majority of the feeder cattle contracts were down well over \$3.00. While the charts are now looking extremely oversold, they also look extremely bleak from a technical standpoint with June Live Cattle futures potentially poised to test the first quarter low support at \$138.60 and May Feeders possibly gunning for the same lows at \$193.90.

Cash feedlot trade was under mild to moderate pressure last week and the feeder cattle and calf trade was as well in most, but not all areas. Southern Plains feedlots took \$160-\$161 compared to \$163 two weeks ago. Western Nebraska dropped \$2 to \$163, still out-trading the south. If futures can't find support from this freefall, look for the feedlot sales to drop even heavier this week.

This Friday we get monthly COF numbers from USDA. Average analyst estimates for the report are looking for an April 1 On Feed total between 97.7% and 99.2% of a year ago. March Placements are expected in a range from 91.3% to 96.9% of last year. March Marketings are pegged between 97% and 98.8% of a year ago.

Cattle slg. \_\_\_110,000 +1k wa +7k ya

Choice Cutout \_\_\_259.14 +1.35

Select Cutout \_\_\_252.20 +1.23

Feeder Index: \_\_\_217.66 -1.81

Lean Index. \_\_\_64.27 +.54

Pork cutout \_\_\_67.86 -.13

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IA-S.MN direct avg\_\_62.64 +.67

Hog slg.\_\_\_430,000 -22k wa +56k ya

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In the grains yesterday, the trade was fairly quiet with corn 1-2 lower, beans 5-8 higher and wheat contracts between KC and Chicago 2-3 higher in HRW wheat and 7-9 better in the soft wheat. Crop progress and condition report numbers came out after the close and showed corn planting progress at 9% complete nationwide, up 7 points from last week. Last year at the same time we were 6% complete with the 5 year average 13%. Expectations were for a number in the low teens, so 9% missed it by a little. Kansas was pegged at 23% done, Illinois 15%, Iowa 7%, Minnesota 12% and Nebraska 4% complete.

Spring wheat seedings were pegged at 36% complete, up considerably from last year's slow start of only 9% and ahead of the average for this date of 19% as well. Not a single spring wheat state is lagging their long term average and a few of them posted some huge gains last week in progress, like Minnesota jumping 44% in one week and South Dakota 29%.

Winter wheat headed totaled 16%, up 1 point from average. Oklahoma was pegged at 35%, Texas at 50% and Kansas 4% headed.

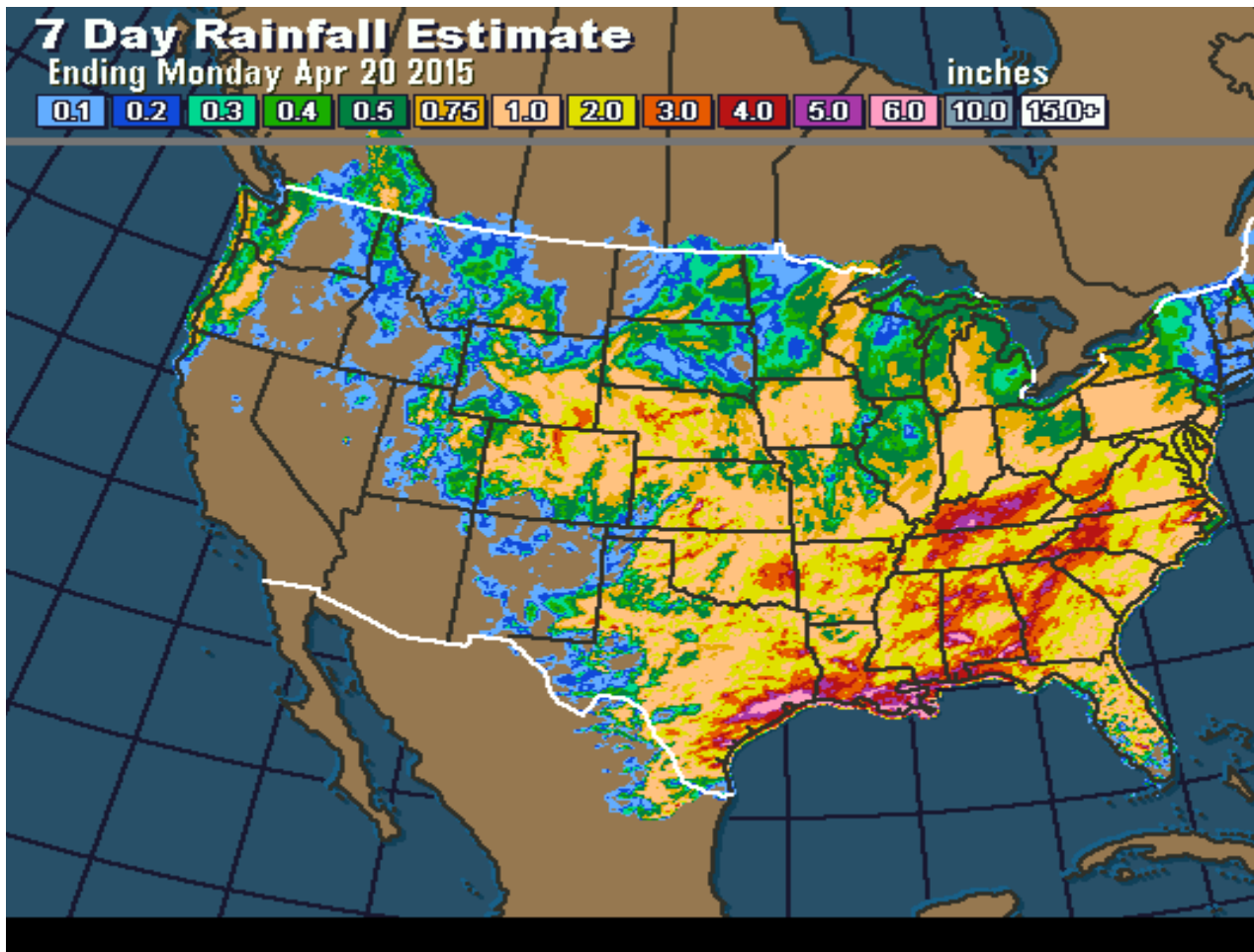
Crop conditions in winter wheat were unchanged nationwide at 19% p/vp and 42% g/ex. Last year's g/ex percentage was 34%. State by state g/ex breakdowns had a few gainers and a few losers. Kansas dropped 2 points, meaning it got worse, Nebraska gained 1 point, Oklahoma gained 1 point, South Dakota lost one point and Texas dropped 1 point as well. In my opinion, there is a good chance next week we get an improvement in Kansas, Texas and Oklahoma based on the weekend precip.

News this morning is overwhelmingly bearish with expectations for very active corn planting progress this week, along with better wheat crop condition ratings next week. There was a new round of private estimates out on South American crop production that raised Argentine corn 1 mmt's, making it equal with USDA's last estimate and Argy beans up to 59 mmt's compared to USDA's 57. Their Brazil corn number is up 2 mmt's above USDA's at 77 mmt's. I didn't see a Brazil bean estimate from them...

The hottest news story today is H5N2 bird flu heavily infecting flocks in Iowa and Wisconsin. On one hand, that could be somewhat friendly to beef and pork prices from reduced poultry supply. By the same token, it could be a bearish story for soybean meal and corn from reduced feed use while some of these farms are being depopulated.

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