



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cattle futures were sharply lower Friday while hogs took a nice bounce higher. This past week has shown how light the ground is under the cattle futures with new highs followed up by massive liquidation sales. Cash feedlot sales last week were very low volume with most reported large showlists at the beginning of the week. No trade reported in Texas but in KS a few head sold at \$163 live which is down \$4 from the week previous. Same goes in Nebraska, down \$4, at \$165 live and a wide range from \$256-\$265 on a dressed basis was \$4 lower from top end to top end compared to the week previous.

April LC down the \$3 limit @ 158.80, June -277 @ 148.80

April FC -402 @ 209.72, May -397 @ 209.72, Aug -357 @ 211.45

April LH +45 @ 62.55, June +135 @ 78.15

For the week, Friday to Friday, April Live Cattle down \$4.22, June down \$4.57, April Feeder Cattle down \$7.92, May down \$7.73, August down \$7.10, April Lean Hogs down \$.62, June up \$2.45

Cattle slaughter from Friday estimated at 90,000 head down 7,000 from a week ago and down 13,000 from a year ago. For the week, 502,000 head, down 23,000 from the week previous and down 73,000 from a year ago. The year to date difference is now out to 7.6% less.

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

Choice Cutout__256.51 -1.88

Select Cutout__249.91 -2.54

Feeder Index:__219.68 -1.32

Hog slaughter from Friday estimated at 407,000 head, up 1,000 from a week ago and up 41,000 from a year ago. For the week, 2,188,000 head, down 6,000 from

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a week ago but up 173,000 compared to a year ago. The year to date difference is now up to 4.8% more.

Lean Index. __60.35 +.15
Pork carcass cutout__65.87 -.27
IA-S.MN direct avg__61.03 +1.83
National Average__60.10 +2.18

Cattle futures are called lower and hogs higher to start the week with some spillover support for the hogs and continued pressured on the cattle side. Friday's move in live cattle futures pushed through support levels and are now eyeing the 100 day moving average at \$158.20 for the April contact. June live cattle are below the 100 day moving average already with the next line of support at \$145. Feeders also broke nearby support and are eyeing the \$210 to \$205 area.

Grains were mixed Friday with corn and soybeans off just a few cents and wheat 6 to 7 higher on back and forth concerns over quality wheat development in the Southern Plains and especially here in Kansas. Corn basis continues to strengthen as producer selling is light. SE Asia is in the market for additional corn but values from South America and the Black Sea region remain the price leader. Wheat values from the Black Sea are up to \$1.50/BU discount to US values as well.

CK -1 @ 377, CN -1 @ 384 ¾, CZ -1 @ 402 ½
SK -2 @ 951 ½, SN -2 ¼ @ 956, SX -2 ¾ @ 942 ½
KWK +7 ¼ @ 558 ¾, KWN +6 ¼ @ 562 ½
WK +7 ¾ @ 526 ½, WN +6 ½ @ 524

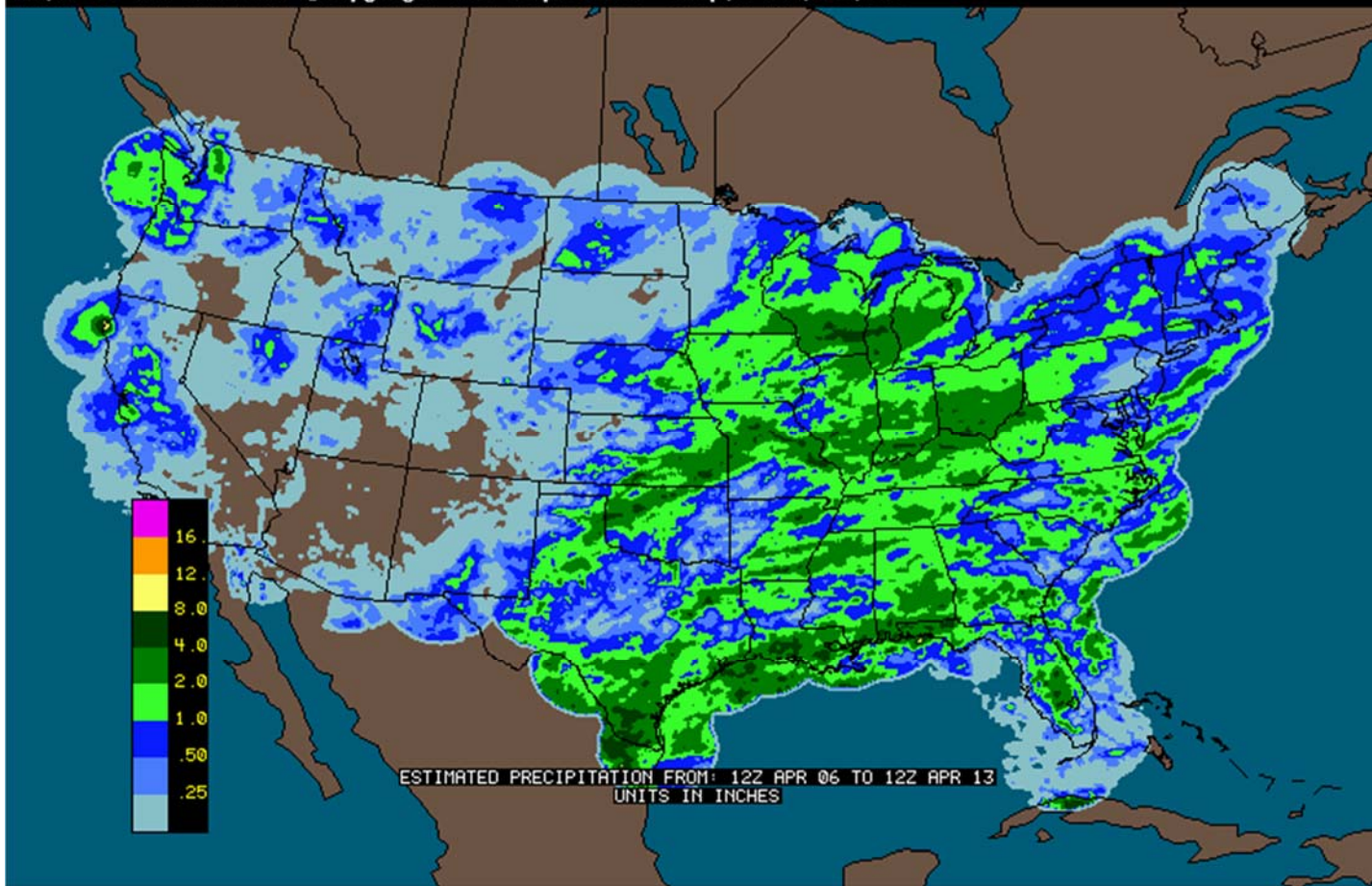
For the week, Friday to Friday, May Corn down \$.09 ½, December down \$.08, May Soybeans down \$.34 ½, November down \$.31 ¾, May KC Wheat down \$.24, July down \$.23 ½, May Chicago Wheat down \$.09 ¾, July down \$.11 ¾.

Overnight corn and soybeans didn't do much with corn finishing down 2 and soybeans up 1. Wheat on the other hand took a nose dive lower, with KC down 15 to 17 and Chicago wheat down 13 to 14.

Rain coverage was mixed over the weekend but ½ to 2 inches caught portions of Texas and Oklahoma as well as central and SE Kansas.

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The USDA should issue its first Corn planting progress report today. Last year on April 13th Corn planting stood at 3% complete vs. 2% the year before and compares to 6% average for the date. The best Corn planting pace for this week came in 2012 at 14% complete, the slowest pace came in 2013 at 2% complete. Last year only two major Corn Belt states reported progress, Illinois at 1% and Nebraska 1%. Based off current conditions I would expect to see only 1-3% planted.

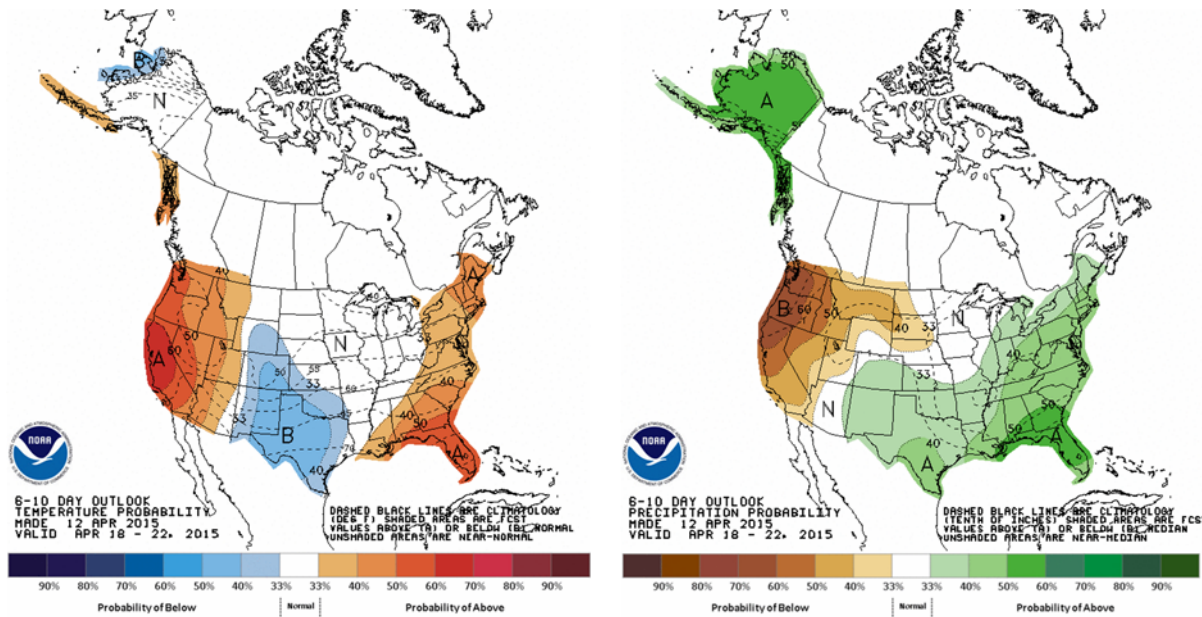
Brazil analyst AgRural estimated Brazil Soybean harvest 84% complete as of Friday. This compares to 77% last week and 84% last year on this date.

The 6 to 10 Day Maps show basically normal temperatures and normal to above normal precipitation for the major growing areas. There is some light chatter

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about a mid to late April freeze chance but that has not got any of the market's attention yet.



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. Last week brought new recent lows with support now at the contract lows at \$9.35 for the May contract and \$9.27 ½ for November. Both KC and Chicago wheat futures have broken their recent uptrends and look to test contract lows as well with May KC at \$5.16 ½ and May Chicago at \$4.78 ¼.

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