



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Friday became a quick reminder how fragile the floor is we stand on in the cattle pits. Early support with little to no volume to be able to carry it through and then wham, limit down for fats for the second Friday in a row and just a tick off limit lower for most feeder contracts. Cash cattle activity kicked off Tuesday in Texas at \$162 to \$163 but by week's end was no better than \$161 in Kansas, down \$2 from a week ago. In Nebraska, \$256 to \$260 on a dressed basis, down \$2 to \$6, was the range with light volume reported.

For the week, Friday to Friday, April Live Cattle down \$1.00, June up \$.20, April Feeder Cattle up \$.55, May down \$1.20, August down \$1.25, May Lean Hogs down \$1.25, June down \$1.87

Cattle slaughter from Friday estimated at 100,000 head up 10,000 from a week ago and even with year ago. For the week, 533,000 head, up 31,000 from the week previous but down 32,000 from a year ago. The year to date difference is now at 7.5% less.

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

Choice Cutout__257.79 -2.59

Select Cutout__250.97 unch

Feeder Index:__219.47 +1.07

Hog slaughter from Friday estimated at 419,000 head, up 23,000 from a week ago and up 39,000 from a year ago. For the week, 2,243,000 head, up 71,000 from a week ago and up 240,000 compared to a year ago. The year to date difference is now up to 5.2% more.

Lean Index.__63.73 +.75

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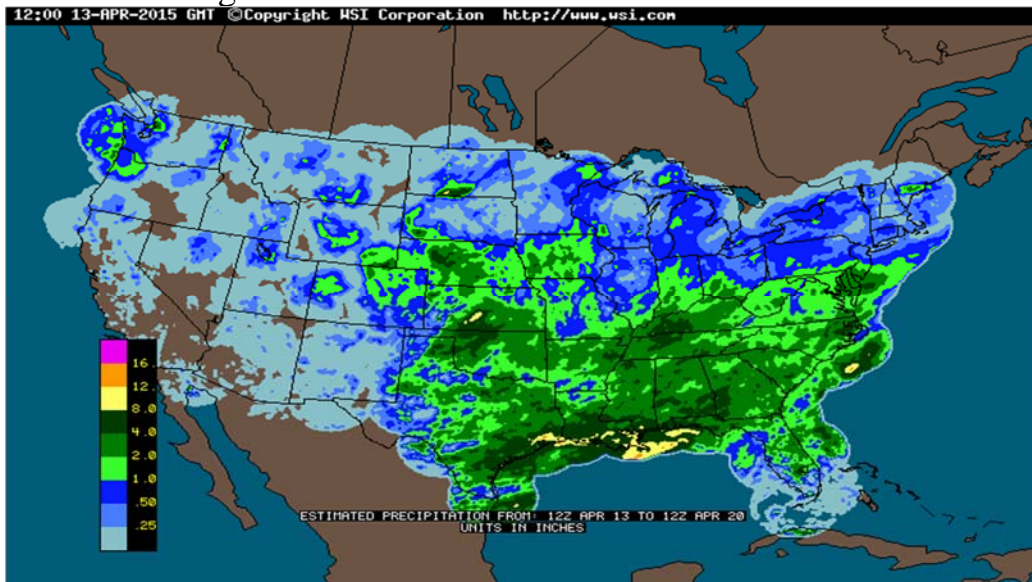
Pork carcass cutout__67.99 +1.85
IA-S.MN direct avg__61.97 -.76
National Average__61.71 -.43

Cattle futures are called lower with some follow-through selling expected right off the bat this morning. Hogs are called mixed. Friday's sharp losses took both April fats and feeders back to the 100 day moving average while June live cattle and August feeders are back below that support and closed in on last week's lows. The \$210 area looks to be the first line of support for feeders and \$145 for the June live cattle contract.

Grains finished mostly steady to higher on Friday as it appeared the markets were taking a quick breather. KC wheat did reach down for a new contract low and Chicago is only a few cents from it with the weekend rains forecasted and world prices still discount to US values. Soybeans also took a break but from a considerably stronger week while corn still chops sideways. Egypt tendered over the weekend for a couple cargoes of wheat and ending up buying 300,000 MT or 11 MBU of Russian, French and Romanian Wheat for June 5 -15 shipment.

For the week, Friday to Friday, May Corn up \$.02 ¾, December up \$.00 ¾, May Soybeans up \$.17 ¾, November up \$.10 ¼, May KC Wheat down \$.49 ½, July down \$.47 ¾, May Chicago Wheat down \$.32, July down \$.34 ¾.

Overnight grains were mixed with corn down 1 to 2, soybeans 3 to 4 higher and wheat 1 to 2 higher.



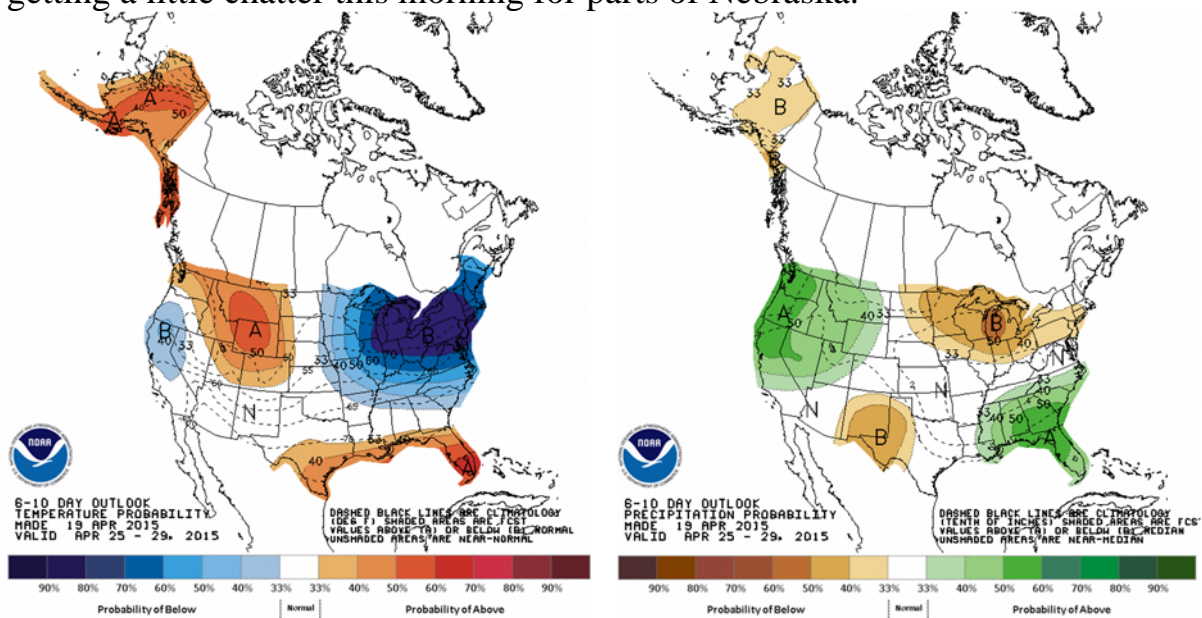
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Planting progress will be the key news headline every Monday afternoon now. Expectations are for 10 to 12% complete through Sunday compared to 2% a week ago, 6% last year and 12 to 14% on average. I have seen some reports of dry pockets in Missouri and Illinois allowing some large farmers to get about 50% complete and expectations are that Iowa and Illinois statewide are sitting around 10 to 15% complete.

Argentina soybean harvest is ahead of pace around 35% complete and some private estimates continue to raise the production estimates now up to 59 MMT compared to USDA's estimate of 57 MMT.

The 6 to 10 Day Maps show basically normal to below normal temperatures and precipitation for the major growing areas. Concerns of sub-freezing temps are getting a little chatter this morning for parts of Nebraska.



Corn futures are still range bound with May trading from \$3.70 to \$4.00 since mid-January and the December contract stuck between \$3.95 and \$4.20. May soybeans are still holding a downtrend since mid-January, but we did push above the 10 day moving average and could break that trend this week. Resistance is around \$9.90 and again at the \$10 level. May KC wheat scored new contract lows last week with Chicago not too far behind. Both are very oversold but with the recent moisture and bleak world trade outlook it is hard to build a bullish case. Weather will be watched closely and a lift may have to come from the fall crops now.

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