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Cattle complex futures must have chosen to ride the seesaw prior to yesterday's open, because they started actively higher, moved lower and then reversed back to moderate to a few actively higher net changes by the close. Hog futures posted a very strong close on the front end, but were lower from the October contract out through the deeper deferreds with bull spreading the feature of that trade.

Spot June live cattle futures continue to chip away at the big discrepancy between it and the negotiated cash trade from last week. There's a lot of chipping to go yet though with futures still \$9-\$12 below that cash. Unfortunately, I'm probably in the camp of siding with cash making up some of that ground going into June and not the futures market doing all the work. The beef/pork and beef/poultry product price spread is still sitting at extreme levels, even though it has come together considerably since the widest point in late winter. There is a huge swath of ground for that spread to cover yet before beef could be considered even remotely competitively priced.

Cattle slg. ___114,000 -1k wa -6k ya
Choice Cutout __255.56 -.08
Select Cutout __243.60 -.30
Feeder Index: __216.03 +.26
Lean Index. __73.04 +1.87
Pork cutout __76.02 +1.70
IA-S.MN direct avg __76.15 +.41
Hog slg. ___419,000 -10k wa +6k ya

Moving on to the grains, soybeans started higher and finished higher, while corn started lower, but managed to gather enough buyers to squeak out a higher close. Wheat futures floundered around lower money all day with friendly wheat tour chatter being offset by a bearish looking radar picture over HRW wheat country. The Panhandle region has enjoyed very broad and general coverage over the last two days, extending into the High Plains of Kansas, Eastern

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Colorado and east through Oklahoma and the rest of Kansas. Granted, there are still some places that missed the boat on adequate moisture, but this was a pretty broad encompassing rain event. Enough obviously that it trumped poor wheat tour numbers at least through yesterday's session.

Rain was the bearish influence on wheat, but wheat tour data, along with Informa cutting wheat production estimates yesterday have provided a little friendly flair in today's news. Informa pegged winter wheat production at 1.486 bln, down 12 mln from their previous guess. Day 1 of the wheat tour had an average yield estimate of 34.3 bushels/acre, down from last year's 34.7 on the same routes. That marked the lowest day 1 average since 2001 and also keep in mind last year's crop was an extremely small in Kansas, which is why the findings should have a friendly market impact.

Stats Canada quarterly grain stocks came out this morning. I'm not sure what the pre-report estimates were, but the actual stocks compared to year ago levels were significantly reduced in nearly all the major commodities. In fact, the only two commodities to come in higher than year ago levels were flaxseed and soybeans.

Back to the Informa numbers from yesterday, they also released projections on Brazil corn and soybean output that pegged corn at 80.3 mmt's up from USDA's 75 mmt current number. Brazil soybean production was pegged at 94.5 mmt's which is even the April WASD guess.

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