



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cattle futures were pulled higher on Friday with a neutral to friendly cattle on feed report that was released at 11 am Friday. Cattle on feed at 101% and Marketings at 92% versus a year ago were right line with expectations. As of May 1st, cattle on feed totaled 10.6 million head and marketings for April totaled 1.64 million head.

Placements were reported 1.55 million head which is 95% compared to a year ago and is bullish with expectations clear up at 102%. The weight breakdown on placements is as follows...

Under 600 lbs at 320,000 head, 84% of a year ago

600-699 lbs at 240,000 head, 96% of a year ago

700-799 lbs at 348,000 head, 89% of a year ago

800+ lbs at 640,000 head, 107% of a year ago

USDA Cold Storage

Total Pork Stocks at 699.60 mln lbs; expected 681.0 mln lbs

Total Beef Stocks: 476.70 mln lbs; expected 476.0 mln lbs

Total Chicken Stocks: 765.52 bln lbs; expected 778.0 mln lbs

Cash feedlot trade was mostly at \$161 live, steady with a week ago but topped out at \$163 live. In the North, dressed sales were \$251 to \$253 which was down \$2 to \$4 than a week ago.

For the week, Friday to Friday, June Live Cattle down \$.30, August Feeder Cattle up \$.50, June Lean Hogs up \$.50

Cattle slaughter from Friday estimated at 109,000 head up 2,000 from a week ago but down 5,000 from a year ago. For the week, 562,000 head, down 2,000

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from a week ago and down 24,000 from a year ago. The year to date difference back in slightly to 7.1% less.

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

Choice Cutout__260.25 -1.97

Select Cutout__247.62 -1.70

Feeder Index:__220.30 +.52

Hog slaughter from Friday estimated at 411,000 head, up 1,000 from a week ago and up 18,000 from a year ago. For the week, 2,108,000 head, up 28,000 from a week ago and up 146,000 compared to a year ago. The year to date difference as widen out now to 5.7% more than a year ago.

Lean Index.__83.12 -.08

Pork carcass cutout__85.58 -1.47

IA-S.MN direct avg__78.72 -.69

National Average__77.18 -1.02

Not much changed on the charts last week with such choppy back and forth trade for both cattle and hogs. June live cattle are still holding an uptrend with support at \$151 and resistance north of the \$154 area. August feeders are range bound between \$214.50 and \$219.50 so far this month. June lean hogs pulled back early last week but have rallied since and look to test the \$85 resistance area.

Over in the grains, futures lower yet again to end another week. Overnight values were higher and the market chatter centered on world weather forecasts for wheat. By mid morning though the US\$ shot higher and another private estimate was released looking for yet again higher soybean acres than USDA. Volumes were fairly light on Friday heading into the 3 day weekend and sellers pressured prices lower with new contract lows for both July and November soybeans.

For the week, Friday to Friday, July Corn down \$.05 ½, December down \$.05, July Soybeans down \$.29, November down \$.27 ½, July KC Wheat up \$.04 ¾, July Chicago Wheat up \$.04 ¼.

Overnight grains finished lower even with the mass flooding and excessive rains in the Southern Plains. Wheat started the night higher but faded slowing finally

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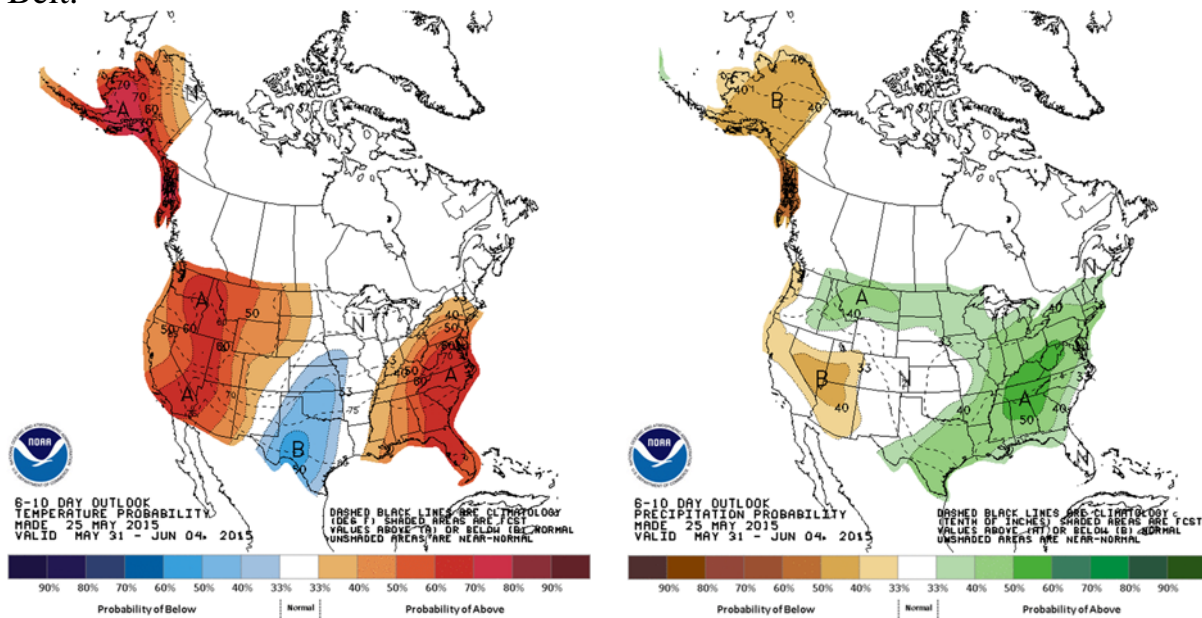
getting back to unchanged around 7 am and collapsing to finish 4 lower for both the KC and Chicago contracts. Corn and soybeans both finished 1 lower after testing both sides of unchanged throughout the night.

This afternoon's USDA weekly crop report is expected to show Corn planting 90% to 95% complete vs. 85% last week, 88% last year and 88% average pace. Corn conditions are expected to be slightly better than last year's 76% good to excellent. Soybean planting is expected to be 60% to 65% complete vs. 45% last week, 59% last year and compare to 58% average pace.

Brazil reported that in the first ten days of May Soybean export shipments totaled 4.7 MMT or 172.7 MBU for an average of 17.2 MBU per day. This compares with the April daily average of 12 MBU and 13.3 MBU per day a year ago.

July corn is trying to hold lows around the \$3.60 area with resistance at the \$3.70 area. July soybeans hit new contract lows last week and the monthly charts have lows at \$9.04 which match prices not seen since 2010. Wheat futures try to hold recent up trends with July Chicago wheat support at \$5.05 and July KC wheat support at \$5.35.

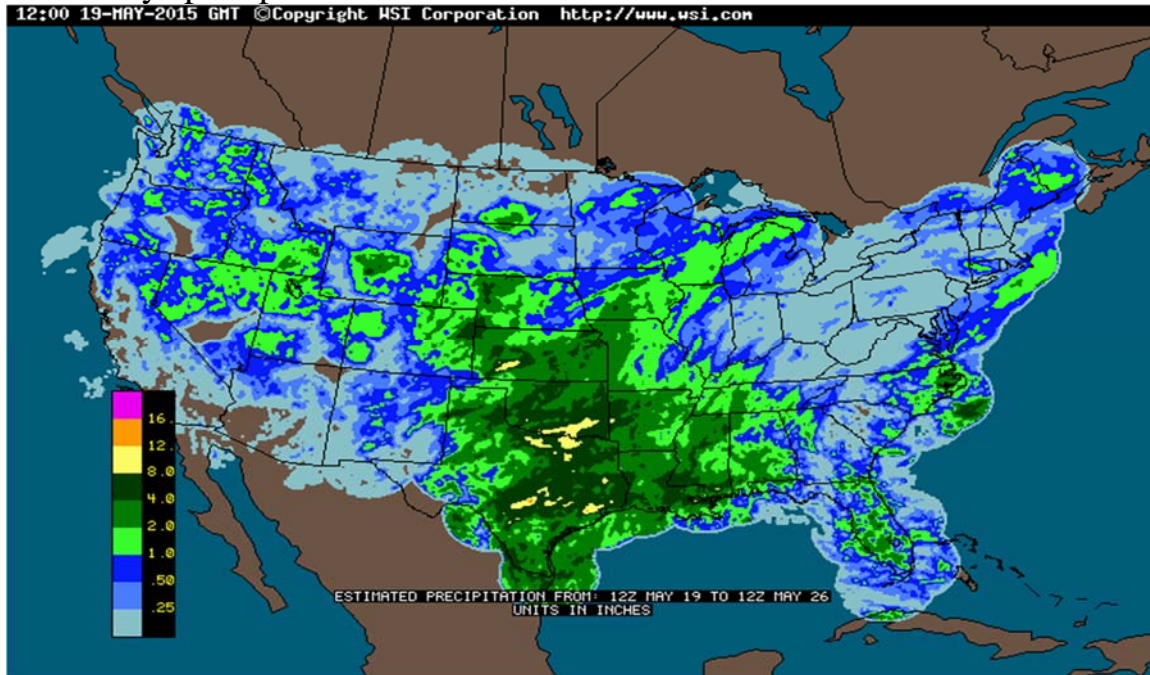
Above normal precipitation continues this week but the 6-10 maps finally pushing above normal precipitation East centered on Tennessee. The 7 day expected precipitation showing a general 1 to 3 inches for the Plains and Corn Belt.



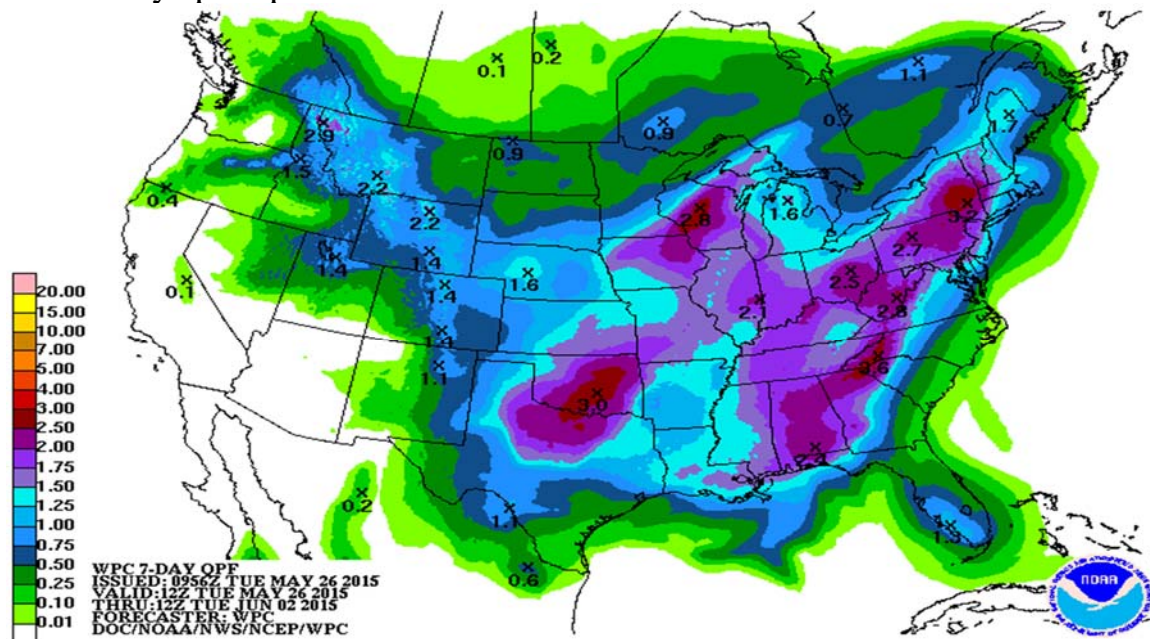
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Past 7 days precipitation...



Next 7 days precipitation...



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