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After Friday and Monday's heavy selling in the cattle complex, the market really needed to catch some support to keep the charts from looking any uglier. Unfortunately that didn't happen. Both the live and feeder markets closed in the triple digits to the downside, making that day three of the downfall.

After the bullish breakout in late February from the long held downtrend, both the live and feeder cattle futures charts looked really good. Product trade had joined the rally and feedlot cash pushed up to the $140 mark. I would have liked to see a little more upside before Friday's break, but when the market is rallying in the midst of long term bearish fundamentals, perhaps we should be happy the overall trend for the last three months has been higher. It's still higher as well, but very rapidly approaching uptrending support.

Cold storage report numbers for the end of February were released yesterday afternoon. After a long string of months with higher than year ago cold stored numbers in poultry, pork and beef, along with quite a few monthly record totals in pork and beef, we finally got a down turn. Frozen poultry supplies were still up 10% from a year ago. However, frozen beef supplies were slightly smaller than a year ago (less than 1%) and frozen pork supplies were down 8% from last year. Granted, last year was filled with monthly reports that cited double digit year over year higher numbers, so these totals were still on the large end. The fact they show signs of stabilizing or moving lower in the red meats was friendly. We'll have to see if this is just a one month phenomena or not first. With the beef herd expanding and incentives out there to do it in hogs as well, I think long term reduction potential is unlikely without lower retail prices to help generate more demand. Or, lower dollar values versus other foreign currencies to generate more export demand and fewer imports.

Choice Cutout__227.91 -1.89
Select Cutout___218.00 -2.67
Feeder Index:___163.31 -.14
Lean Index.__ 66.00 -.19
Pork cutout___76.31 -.60

IA-S.MN direct avg__61.78 +.26

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Grain and oilseed market action continued to look good in soybeans and wheat, but the corn market just can't seem to muster any momentum to the upside. Ironically, on the domestic front, corn is also the only one of the three with any kind of supportive story to it as well. US ending stocks forecast in the 1.8 bln range is what I would consider only comfortable. Not excessive by any means, but not tight either. Soybeans and wheat on the other hand with beans forecast at a 460 mln bushel carryout and wheat at 966 mln are both in the excessive category. Big difference compared to corn. That doesn't necessarily make corn bullish though and the futures market is telling us that as well.   The world stocks situation in all three is excessive. That's the root of the problem.

With all that being said though, we're also very rapidly moving into a timeframe with fall crop planting and winter wheat actively growing that overall weather is taking a much more active role in futures market trade. That means volatility and wider price swings have a lot more potential from here on out.

6-10's last night were showing below normal temps all through the HRW wheat belt as well as into the Central Corn Belt. Precip was normal to above through most of the Plains and Corn Belt, except in the Panhandle area and south where it was below normal.

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