



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Happy National Ag Day!!

Fund buying continues to be a feature in the livestock market that supports the futures trade on breaks, but Monday was not quite the start we were looking for this week with live cattle futures mixed and feeders lower. The lack of direction could be coming from some still questioning the overall longer-term market sustainability. Early reports from salebarns though continue to show steady to a few dollars higher cash markets for calves and feeders.

Oklahoma National Stockyards - Oklahoma City, OK - Close

Feeder Cattle Weighted Average Report for 03/14/2016

Estimated Receipts: 6,200 Last Monday: 10,083 Year Ago Monday: 10,947

Compared to last week: Feeder steers \$3 to \$6 higher. Feeder heifers steady to \$4 higher. Demand very good for feeder cattle. Steer calves steady but under 500 lbs. lightly tested and sharply higher. Heifer calves steady to \$4 higher.

Demand good for all classes, especially cattle headed to grass pastures or graze out wheat.

Carthage - Joplin Regional Stockyards

Feeder Cattle Auction Mid-Session for 03/14/2016

Receipts: 4500 Last Week: 5500 Year Ago: 9932

Compared to last week, steer & heifer calves, and yearlings \$2 to \$5 higher.

Demand good, supply moderate.

Cattle slaughter from Monday estimated at 110,000 head, up 6,000 from last week and up 1,000 compared to a year ago.

Hog slaughter from Monday estimated at 430,000 head, down 5,000 from the week previous but up 11,000 from year ago.

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Boxed beef cutout values sharply higher on moderate to good demand and moderate offerings on a total of 113 loads sold.

Choice Cutout__227.47 +3.42

Select Cutout__217.49 +2.37

Feeder Index:__160.63 +.60

Lean Index.__66.66 +.10

Pork carcass cutout__76.63 +.55

IA-S.MN direct avg__63.25 -.31

National Average__62.33 -.07

April live cattle pushed above \$140 last Friday but was unable to hold that line and was not able to push through it yesterday. The next level of resistance is at \$144.45, the high back from December, with support in the \$138 area. March Feeders are trying to hold above the \$162 area with \$165 as resistance and \$160 as support. April lean hogs need to stay above the \$70 area this week to keep the up trending channel going. The June contract also has an up trending channel with support around \$80 and resistance in the \$83 area with the contract high not too far away at \$83.90.

Soybeans seeing some pressure as South American currencies have calmed some and last week's rally generated some cash selling. Soybeans fought off some overnight pressure on Monday to close unchanged up front and a shade better in the deferred contracts as the grain markets in general remain in their short covering mindset. Soybeans have been unchanged or higher now for 9 days in a row while corn is up 3 days in a row.

The wheat markets firmed shortly after the day session started. Much of the recent rally could be attributed to this upcoming weekend's forecast combined with the huge short still in the market. Temperatures are expected to get progressively colder across the western and northern plains towards the end of the week, although that has moderated some. What may eventually turn into more of an issue is the lack of recent moisture in some of the HRW wheat areas across western Oklahoma and Kansas, eastern Colorado and southwestern Nebraska.

Export inspections for the week ending March 10th were all within expectations yet all lower than a week ago. Grain sorghum shipments were the only exception coming in at 5.85 MBU compared to 4.2 MBU the week previous. Year to date totals continue to run ahead of last year by roughly 10 MBU.

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Wheat shipments totaled 14.9 MBU with year to date now at 575.6 MBU vs. 657.5 MBU last year at this time. Corn shipments were 31.7 MBU with year to date now at 651.3 MBU vs. 807.2 MBU a year ago. Soybean shipments tailed off considerably from a week ago at 26.3 MBU, but again as expected with the new South American crop hitting the market.

State Crop Conditions –

TX Wheat – 46% G/E & 11% P/VP, last week 42% & 13%, ly 51% & 11%

TX Corn – 20% Planted vs. 5% last week, 10% last year, 22% 5-year avg

TX Grain Sorghum – 15% Planted vs. 2% last week, 3% ly, 15% 5-year avg

OK Wheat – 67% G/E & 2% P/VP, unchanged from last week, ly 40% & 10%

KS Wheat – 56% G/E & 7% P/VP, unchanged from last week, ly 41% & 13%

KS Wheat – 6% Jointed vs 2% 5-year average

Grains were lower overnight as all are overbought here now. Soybean futures in China were off 2% overnight as well. Corn finished 2 lower, soybeans 4 to 5 lower and wheat 1 to 3 lower.

Rains this week are mostly east with a pocket from MN into the Great Lakes that could dump 4-5 inches. The 6-10 day maps show above normal precipitation in the NE and PNW with below normal forecasted SW and for the Southern Plains. Temps are still forecasted to dip below freezing overnight Friday and Saturday as far south as West Texas. The 6-10 day temps show below normal for the SE with above normal SW.

May corn has pushed into a new high for the month and back to the midpoint of the 3 month long range bound trade from \$3.54 to \$3.78. May soybeans were able to break and stay above the \$8.90 resistance area but peaked out at \$8.96 ³/₄ with resistance from \$9.00 to \$9.02. May KC wheat is trying to test the Jan highs \$4.92 while Chicago still needs to take out the Feb high at \$4.87.

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