



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

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Date: April 5, 2016

It was kind of a flat finish in the meat sector yesterday with hogs mildly lower and cattle complex futures mildly higher. Hog futures didn't really move much throughout the day, but the cattle were up nicely at one point, showing some triple digit gains. Those gains just didn't hold into the close.

Futures up on the heels of a sick looking cash market from last week was good. The Southern Plains trade at \$133 which was down \$3 from the previous week was disheartening, especially since it went on midweek. Then Nebraska live sellers managed to get \$2.50 more money, waiting until Friday to trade any volume. If was an odd week for cash to say the least with some apparent mistakes made in that trade, no doubt caused by \$2.50 lower futures last Wednesday.

Oklahoma City feeder cattle and calf market trade yesterday was \$2-\$3 better on feeder steers and heifers and steady on calves with only a light test. The run was big though, as estimated receipts were 7000 head compared to 4100 the previous week and 5700 last year at the same time.

Volatility in feeder futures has picked up considerably over the last couple of weeks, along with a slightly uptick in price swings in the live cattle. Feeders were down \$3.50 on the front end last Wednesday and up the limit of \$4.50 the next. Lower corn is what led to that reversal, but it was too late to help the weekly average. Feeders and calf prices were both under moderate to heavy pressure at times last week according to the National Summary. Grass fever is still in full swing, especially with the early warmup this year. I was a little baffled by the downtick in prices last week, because the calendar is still telling us there's 2-3 weeks of active buying to happen before the pace slows down. When it does we should also see the basis on heavier weight feeders start to improve.

Cattle slg. ___ 111,000 +12k wa +15k ya

Choice Cutout __217.51 -1.60

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Select Cutout___206.23 -.70

Feeder Index:___158.27 -.26

Lean Index.___65.86 +.14

Pork cutout___76.53 +.28

IA-S.MN direct avg___N/A

Hog slg.___435,000 +148k wa +149k ya

Grain and oilseed market trade was very quiet yesterday. We saw a slight reversal of the post report action that was bearish corn and friendly beans and wheat. Beans and wheat were mildly lower Monday while the corn was flat to instances higher.

Export inspections data yesterday was friendly corn, but bearish beans and wheat. Corn loadings were 41.5 mln bushels. Milo loadings were decent at 4.6 mln. Wheat shipments were 11.7 mln and beans 7.5 mln bushels. Corn, bean and wheat shipments are all lagging last year's pace considerably. Milo is the only stronghold at 238 mln shipped so far this marketing year compared to 232 at the same time a year ago.

Yesterday afternoon was supposed to be the first crop progress and condition report release of the year. For some reason, USDA and NASS delayed the release till this afternoon. Expectations are for that report to show some deterioration in wheat conditions for HRW wheat areas. Also some delay in Delta corn planting pace expected.

6-10 day weather is showing below normal temps from Eastern Kansas north and east with normal to above temps south and west. Precip was normal to above everywhere except the Dakotas and far western Minnesota. Good forecast for most of HRW wheat country. Not so good for an active corn planting pace.

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