



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cattle futures continued under heavy pressure last week with limit down trade on Monday and triple digit losses on Friday pushing prices into new lows. Cash feedlot trade collapsed, \$5-6 lower compared to the week previous. Prices peeled back as the week progressed as well. Midweek in Nebraska a few traded at \$128 live and \$208 on a dressed basis. By the end of the week though, prices were down to \$125 to \$127 live and \$198 to \$203 on a dressed basis. Some of these sales were for May deliveries but spot sales were still lower.

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 04/22/16

Receipts: This Week: 201,100 Last Week: 339,800 Last Year: 211,600

Compared to last week, steers and heifers traded mostly 5.00-10.00 lower with some major auction barns reporting as much as 12.00 to 15.00 lower. Monday's limit losses in the cattle complex at the CME really set the tone for the week and it was a big hole to dig out of. Such extreme losses early for Live Cattle contracts especially were hard to figure after three weeks of active mid-week fat trade (at steady to higher money) and the fact that boxed beef cutouts moved about 10.00 higher just last week. Cattle futures took losses pretty much all week, managing to stay just either side of steady a couple days but for the most part the losses were severe. Order buyers were also watching a tremendous grain rally early in the week, and a volatile corn market never has a positive impact on cash feeder cattle trade.

For the week, Friday April 15th to Friday April 22nd, April Live Cattle down \$6.75, June down \$7.52, April Feeders down \$7.12, May down \$8.10, August down \$9.52, May Lean Hogs up \$1.30, June up \$1.20.

After the close on Friday, the Cattle on Feed report was neutral and Cold Storage report friendly.

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Cattle on Feed as of April 1st at 10,853,000 head, just shy of the pre report estimate and 101% vs year ago.

	Report Totals	Avg Guess
Cattle on Feed April 1	101%	101%
March Placements	105%	107.5%
March Marketings	107%	106.5%

Placements by weight class (expressed as a % of previous year)

Under 600 lb 96%

600-699 lb 100%

700-799 lb 110%

Over 800 lb 107%

March Cold Storage

Total poultry in freezers versus year ago up 6%

Total red meat in freezers versus year ago down 6%

Total beef in freezers versus year ago down 3% at 466.99 Mil lbs. vs. 491.5 expected

Total pork in freezers versus year ago down 9% at 614.15 Mil lbs. vs. 613.5 expected

Cattle slaughter from Friday estimated at 112,000 head, up 16,000 from the week previous and up 8,000 compared to a year ago. Weekly totals were estimated at 587,000 head, up 39,000 compared to the week previous and compared to a year ago.

Hog slaughter from Friday estimated at 421,000 head, down 4,000 from the week previous but up 10,000 from year ago. Weekly totals were at 2,241,000 head, up 44,000 from the week previous and up 76,000 from a year ago.

Boxed beef cutout values weak on Choice and sharply lower on Select on light to moderate demand and moderate to heavy offerings, total of 158 loads sold.

Choice Cutout__220.31 -.41, -4.82 for the week

Select Cutout__210.69 -2.08, -5.04 for the week

Feeder Index:__151.11 -1.77

Lean Index.__67.68 +.32

Pork carcass cutout__79.76 -1.10

IA-S.MN direct avg__66.59 +.29

National Average__65.64 +.32

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April live cattle low at \$123.05, June contract made a new low Friday at \$113.90
April Feeders support at \$147, contract low at \$142.55, May & August new
lows on Friday

June lean hogs dipped down to \$76.80 then ran above \$80 last week before
pulling back to the support area from \$78.60 to \$79.

In the grains, the reversal lower that began on Thursday continued with sharply
lower futures on Friday. Soybeans continue to be the volatile leader pulling
back \$.50+ cents from their highs yet still able to finish the week higher. Private
estimates are rolling out calling the Argentine soybean crop 3-5 MMT lower
now due to the heavy rains from the past few weeks. Forecasts for this week
though push that wet weather out of Argentina and into the dry areas of Brazil
helping their second corn crop.

For the week, Friday April 15th to Friday April 22nd, May corn down \$.06 ³/₄,
December down \$.07 ¹/₄, May Soybeans up \$.31, November up \$.16 ¹/₂, May KC
Wheat up \$.04, July up \$.05 ¹/₄, May Chicago Wheat up \$.07 ¹/₄, July up \$.06 ¹/₂.

Grains were mixed overnight with corn coming back positive this morning to
finish 1 to 2 higher, soybeans though stayed lower finishing 3 to 5 lower. KC
wheat finished 2 to 3 lower while Chicago wheat was steady to 1 lower.

For this afternoon's Crop Progress and Conditions report, some feel that USDA
missed some planting progress a week ago and are looking for a big jump this
week. Corn planting average for this date is 24% to 25% with estimates from 30
to 40% complete. Soybean planting pace is 3-4% for this week and expectations
are right in line. The big change should be improved wheat conditions
especially in HRW country with the crop saving rains the past week and half.

Rains moved through NE KS and the northern plains yesterday with another
system that starts Tues-Wed over the northern plains that moves into most of the
Midwest by Wed-Thurs that pushes heavy rains over the central plains and most
of the Midwest. The 6-10 day maps continue with above normal precipitation
for most the US and below normal temps for the Plains and Corn Belt.

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