



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Livestock futures struggled most of the day yesterday but higher cash feedlot trade pulled futures back into the green. Greater trade volume and higher prices in feedlot country Thursday clearly reflected improving beef packer appetites. Live sales in the South ranged from \$133 to \$134, steady to \$1 higher than Wednesday and last week. Dressed sales in Nebraska and Iowa were marked as high as \$215, steady with last week and \$3 higher than Wednesday. The disappointing news came from continued pressure on beef prices. Lean hogs also firmed late in the trading day to close mixed to mostly higher.

Cattle slaughter from Thursday estimated at 105,000 head, down 5,000 from a week ago but up 7,000 compared to a year ago. Week to date now running 5,000 ahead of a week ago and 27,000 ahead of a year ago.

Hog slaughter from Thursday estimated at only 377,000 head, down 60,000 from a week ago and down 44,000 compared to a year ago. Week to date though still running ahead of last week by 75,000 head and 102,000 ahead of a year ago.

Boxed beef cutout values lower on light to moderate demand and moderate to heavy offerings on a total of 217 loads sold.

Choice Cutout__214.74 -1.67

Select Cutout__205.91 -1.52

Feeder Index:__158.62 +.83

Lean Index.__66.31 +.31

Pork carcass cutout__77.34 -.53

IA-S.MN direct avg__62.80 -.33

National Average__61.81 -.60

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Hopefully we will wrap up this week higher again today with the encouraging signs from the cash feedlot trade recovery. Follow through buying is expected today for both cattle and hog futures. April live cattle broke the uptrend line that started back in December with prices now below the 100-day moving average. The next line of support is just under \$129 with resistance up in the \$133 area. April Feeders have support in the \$151 area, now hit 3 times the past couple weeks, with the April 1st high at \$157.65 the first line of resistance. April lean hogs have lost all their upward movement with support at \$67. The June contract has turned back higher after testing support in the mid \$78 level this week.

Over in the grains, corn was the only market to stay higher yesterday with the nearby May contract posting its 5th consecutive day higher with support from cold, wet weather in the Corn Belt and an export sale to Japan. Soybeans were lower with eroding support from the Brazil's real and only 4,000 MT to China last week. The real was 1.25% lower and so far this week as lost 3.5%. Wheat extended this week's losses after USDA reported cancellations of near 216,000 MT or 7.9 MBU. This pushed KC contracts within 6 cents of contract lows and Chicago contracts some 15 cents away.

Overnight, grains were steady to higher with corn taking a breather finishing steady while soybeans were 2 higher and wheat showing a little life finishing 3 higher. Weather will be the key here wrapping up this week with moisture forecasted for the Plains, we shall see, and continued cold and wet for the Corn Belt.

USDA Supply and Demand and World Production report out Tuesday at 11:00.

Average estimates for US ending stocks...

Corn 1.845 BBU vs. 1.837 in March

Soybeans 454 MBU vs. 460 in March

Wheat 977 MBU vs. 966 in March

Average estimates for World ending stocks...

Corn 207.3 MMT vs. 206.9 in March

Soybeans 78.9 MMT vs. 78.8 in March

Wheat 237.2 MMT vs. 237.5 in March

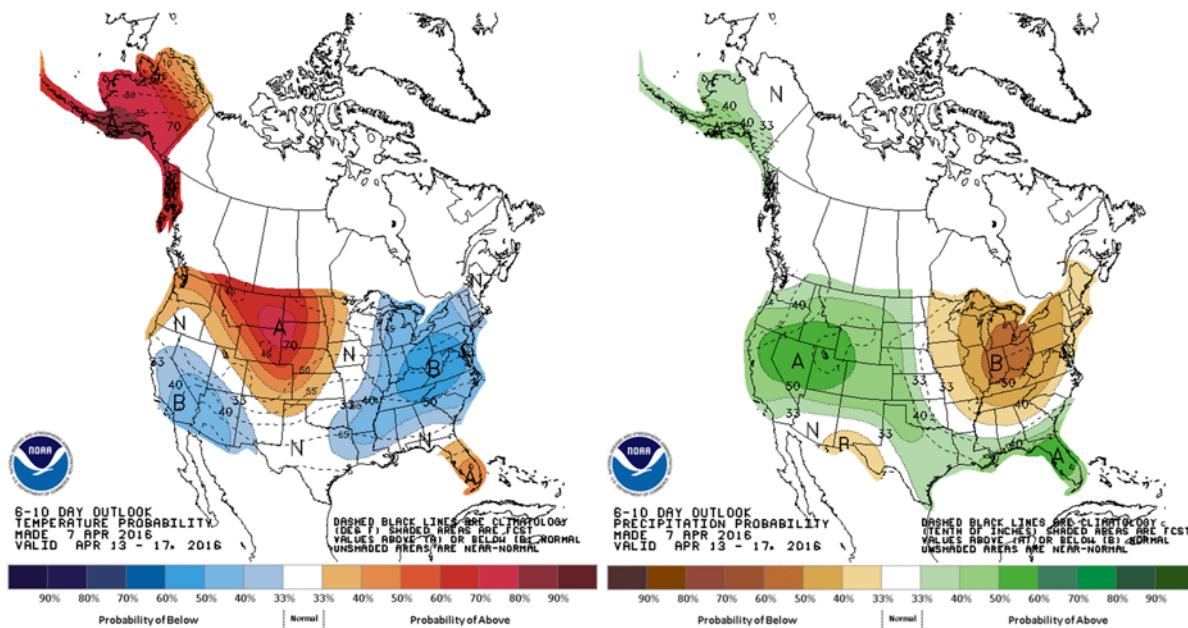
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USDA announced this morning a private sale of 120,000 MT or 4.7 MBU of this year's corn for unknown destinations.

May corn ran down to \$3.47 ½ to find the long term support on the weekly charts. Nearby futures are now 14 cents off last week's lows. December corn has found some resistance at \$3.75. May soybeans have pulled back some 20 cents from their high last week with support right around the \$9 level. The November contract should find the first level of support at \$9.10 with additional at the \$9 level as well and resistance at this week's high of \$9.36. KC wheat has continued the downtrend that started in mid-March after the May contract was unable to break through \$4.90 and July unable to push above \$5. The May Chicago wheat contract has resistance at \$4.80 and support being tested again from \$4.57 to \$4.55.

Moisture over the next 7 days is forecasted for the Delta and moving into the Eastern Corn Belt with 1-3 inches expected. The longer term forecasts continue to show additional moisture for the HRW areas but just like these past few weeks, the closer we get those chances seem to shift east. The 6-10 day maps show normal to above normal precipitation west and below normal finally for the Eastern half of the US with temps though still below normal.



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