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The cattle complex scored big gains in feeders and moderate gains in the live market on Wednesday, while hogs got back to their old routine of red ink across the quote screen. There is a significant amount of technical strength building in the cattle that I think has a shot at extending these gains as long as managed money continues to hit the buy button based on this positive chart picture. The strength is also adding a lot of optimism to this weeks negotiated cash feedlot trade. Of course packers were lowballing bids yesterday with asking prices firmly at a lot higher money. I'm fairly confident we'll see another gain this week, it's just a matter of how much?

The hog market continues to concern me with another day of back to the old grind of moving lower in futures, product and cash. In the macro picture, cheap pork does not mix well with expensive beef. It does a great job of encouraging stronger pork demand, but you have to remember that comes at the expense of beef. Currently it looks like beef cutouts are headed back over the $200 level on choice. While $200 choice is still well under the $210 and $220+ levels we carried for so long, pork product was also much higher then as well. Don't get too bulled up to the cattle market, because I don't think we're in for a long term change of trend. My hopes are for short term to maybe extend into intermediate term, but that becomes tough if the hog market continues to crater.

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Grain and oilseed prices got a reprieve from the active selling that happened over the first two days of the week. Two big bean sales and a decent size corn sale in the 8am reporting helped support things some, but with mostly favorable weather in the forecast and some big crop production guesses out already this week, gains are hard-fought.

6-10 day weather last night showed temps at above normal everywhere through the Corn Belt, Delta, Central and Southern Plains. Normal to below temps were in the offering from the far Northern Plains on west. Precip was above normal in the Northern Plains and all through the Corn Belt with normal in Kansas and Oklahoma and below normal southwest.

More crop production guesses are coming in to add to the bearish FC Stone numbers we got several days ago. Linn Associates estimated corn yield at 171.4 bu/ac with production at 14.775 bln. Their bean estimate was 48.6 bushels and production of 4.073 bln. AgResource was out last week with a 169.8 bu/ac corn yield and this week with a 48 bu bean yield and slightly smaller production than the other two as a result.

Weekly export sales numbers were a little dismal in old crop corn today, friendly beans and bearish wheat. Corn sales were 13 mln old crop and 35.3 mln new. Milo sales were 4.4 mln old and 500k new. Soybeans came in at 19.9 mln old crop and 41.5 mln bushels new, which is bullish. Wheat was bad at 12 mln old crop. With the sales pace we've seen this week in daily announcements, next week's tally should be good again in beans as long as there aren't significant cancellations or switching from old to new crop. Keep in mind also, there are 338 mln bushels of corn and 229 mln bushels of soybeans that remain unshipped in the totals for a marketing year that ends on the last day of this month. We'll need a blistering pace of export loadings between now and then to meet those totals.

8a.m. daily announcements showed 252k mt's of US soybean sales to China and another 129k tonnes of new crop sold to unknown destination.

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