



## **Loewen and Associates**

**Commodity Consulting/Brokerage**

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### **Morning Ag Markets**

#### **Matt Hines**

Livestock futures finished the week without much action but another solid gain for the week over week changes. Cash feedlot trade saw heavy volume this past week up to \$110 live and \$170 dressed which was \$4 to \$6 higher than the week previous. Beef sales were also in high demand this past week with prices mostly flat to lower.

Canadian Food Inspection Agency on Friday afternoon said they've confirmed another 5 cases of bovine tuberculosis bringing the total up to 6 confirmed cases. 3 weeks ago the first case was detected in Alberta and as a result over 30 ranches were quarantined.

Cattle on Feed as of November 1<sup>st</sup> was right in line with expectations at 99% vs. a year ago. October placements at 95% and marketings 105% were also in line with pre report estimates.

Placements by Weight Class (expressed as % of previous year)

Under 600 lbs	95%
600-699 lbs	99%
700-799 lbs	109%
Over 800 lbs	83%

#### **NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 11/18/2016**

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	297,600	62,700	1,800	362,100
This Week	270,800	31,200	22,100	324,100
Last Year	251,500	34,200	800	286,500

Compared to last week, steer and heifer calves sold 2.00 to 8.00 higher with instances 10.00 to 15.00 higher throughout the country this week. Yearling steers

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and heifers sold steady to 5.00 higher when auctions had enough on offer to get a representative sample to trend. The market has seemed to get some legs and is moving in the right direction for producers send calves to the sale. The market has rebounded handsomely in the last few weeks and prices are now above the first week of October levels. More and more weaned calves are available for sale this time of year and even the unweaned calves didn't suffer the considerable discounts seen the past several weeks. Calves suitable for grazing wheat have been in demand the past couple weeks and this week was no exception. All week long, auctions from the Southern Plains of Texas to the Northern Plains of North Dakota saw many more receipts and the auction receipts this week on this report is the largest for all of 2016. Producers have been waiting for the market to rebound all fall long and they are finally being rewarded for their patience. However, the weather has been great for fall grazing leaving no one in a huge hurry to market feeders.

For the week, Friday November 11<sup>th</sup> to Friday November 18<sup>th</sup>, December Live Cattle +\$2.27, February +\$2.55, January Feeder Cattle +\$3.95, March +\$3.32, December Lean Hogs +\$.67, February -\$0.17.

Cattle slaughter from Friday estimated at 115,000 head, up 10,000 from the week previous and up 7,000 compared to a year ago. For the week, 629,000 head, up 19,000 from the week previous and up 58,000 compared to a year ago. Beef production for the week estimated at 527.5 million pounds vs. 512.8 the week previous and 483.5 million last year. Year to date slaughter is up 5.2% and beef production up 5.3%.

Hog slaughter from Friday estimated at 437,000 head, up 32,000 from the week previous and up 1,000 compared to a year ago. For the week, 2,531,000 head, up 79,000 from the week previous and up 137,000 compared to a year ago. Pork production estimated at 534.3 million pounds compared to 517.0 the week previous and 510.8 million last year. Year to date slaughter is up 1.7% but pork production is only up 1.1%.

Boxed beef cutout values steady to firm on light to moderate demand and offerings for a total of 145 loads sold.

Choice Cutout\_\_182.95 +.64, -1.67 for the week

Select Cutout\_\_167.01 -.09, -.70 for the week

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Feeder Index: \_\_127.00 +.56  
Lean Index. \_\_47.99 -.07  
Pork carcass cutout \_\_73.00 +.77  
IA-S.MN direct avg \_\_40.53 -.03  
National Average \_\_40.41 -.12

December live cattle surpassed the Sept high last week with the next level of resistance \$110 with support in the \$105 to \$103 area. The Sept high for January feeders up at \$127.50, now within striking distance, support down at \$120. December lean hogs are stuck around this \$48 area with good support at \$46.

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Over in the grains, a green day on Friday after a steady overnight. Export shipments and sales remain impressive but much of that increased demand is already built into USDA's current supply and demand estimates. Dec-Mar corn spread now into +7 ½ to +8 to the March as the Jan-Mar soybean spread trading out to +8 ½ to +9 to the March.

For the week, Friday November 11<sup>th</sup> to Friday November 18<sup>th</sup>, December Corn +\$.05 ¼, March +\$.04 ½, January Soybeans +\$.07 ¾, March +\$.07 ¾, December KC Wheat +\$.03 ½, March +\$.03 ¼, December Chicago Wheat +\$.05, March +\$.03 ¾.

Overnight, grains were higher led by the soybeans with support from stronger Chinese futures and palm oil. Soybeans finished 10 higher while corn and wheat was steady to 1 higher.

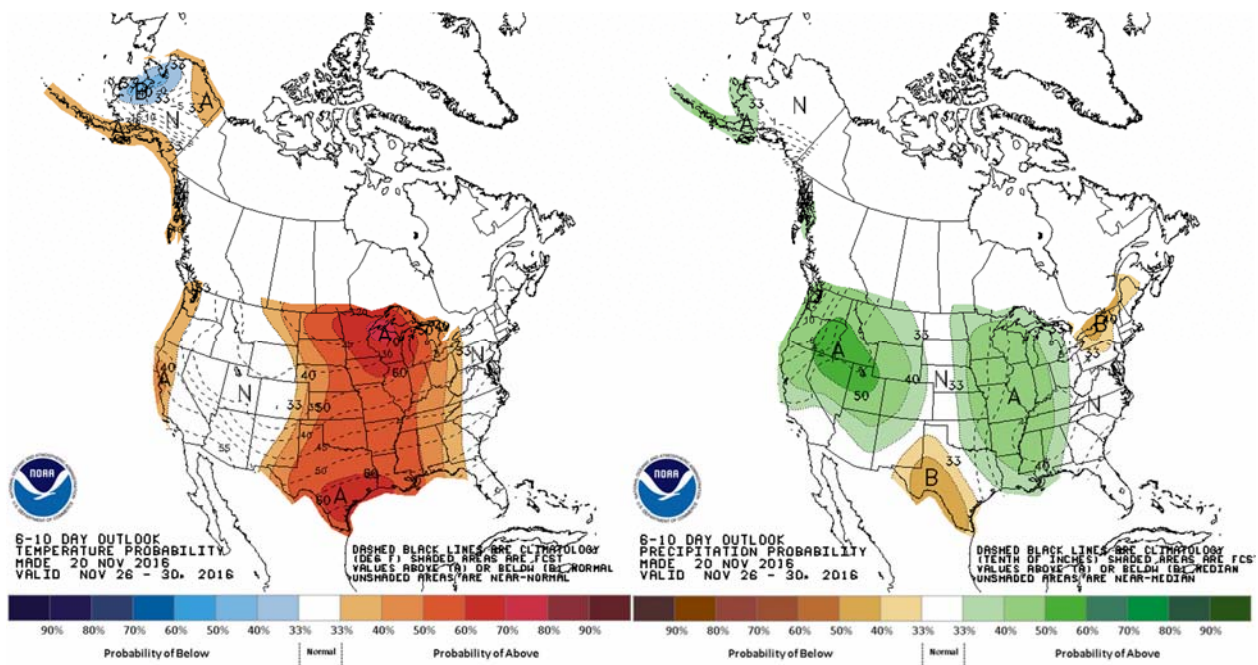
Not much for additional news this morning with the holiday shortened week. December options expire this Friday as the markets close at noon.

December corn held the \$3.35 support last week now trying to push and stay above the \$3.45 area. All the major moving averages have converged into a tight range from \$3.42 to \$3.47. January soybeans still in the upper half of its rangebound trade over the past 3 months with the first line of resistance now at \$10.00 and the first line of support at \$9.75. Dec KC wheat trading a range of roughly \$.30 for the past 2 months now, and showing a slight uptrend from last week's lows at \$4.01. Dec Chicago wheat also choppy, trying to break the downtrend from mid-Oct with support in the \$4.04 to \$4.08 range.

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1 to 2 inches of precipitation is forecasted from East Texas up into the Great Lakes from a system moving through the next few days and another over the weekend. The 6-10 day runs continue to show normal to above normal temps but have shifted to normal to above normal precipitation.



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