



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

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Hog futures came off the long three day Easter holiday weekend with a lower finish. Live and Feeder futures were both higher. In the case of feeders, everything was up more than \$1, aided somewhat by corn being down close to a nickel most of the day. Live cattle were up \$1+ on the front end, but only mildly higher on all the deferreds. Closing in on the last trading day for the spot April live at the end of this month, there has been a significant amount of convergence going on the last two weeks.

Weekly negotiated cash cattle sales reported through MPR from last week showed 14k+ head in Texas at \$128, 21k+ head in Kansas at \$128, 43k+ in Nebraska at \$129 live and \$206-\$207 dressed. Colorado and Iowa/Minn both posted prices as high as \$130. Compared to the previous week, that was all up about \$2. The biggest positive I see coming from it, lies in the fact cash has held up remarkably well despite the fact we came into the month with spot April futures about \$9 lower than the Southern Plains trade last week and \$10 lower than Nebraska. Cash had held strong and pulled futures higher, which is counter to what my expectations were in late March. That's the big convergence I was talking about earlier.

Cattle slg. ___108,000 -7k wa -1k ya
Choice Cutout ___214.13 +2.05
Select Cutout ___200.78 +1.30
Feeder Index: ___136.12 +.30
Lean Index. ___ 62.59 -.60
Pork cutout ___74.96 +.38
IA-S.MN direct avg ___56.01 -.11
Hog slg. ___300,000 -142k wa -132k ya

In the grain and oilseed trade, between the banter already starting about it being too wet to plant corn and a bullish set of export inspections, one would think a little bullish influence was in order in Monday's trade, but that wasn't the case. Those weekly export inspections were released mid-morning and showed bullish totals for all the markets. Corn inspections were 52.3 mln bushels, soybeans 17 mln bushels, milo 5.5 mln and wheat 24.7 mln bushels. Corn traded

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around a nickel lower most of the day, beans were quietly lower, but did squeak out a higher new crop close. Wheat was under heavy pressure in KC and mild to moderate pressure in the Chicago and Minneapolis futures.

Crop progress and condition data showed the second release of the year for corn planting numbers. Nationwide, 6% of the crop was in the ground versus 12% last year on the same date and 3% last week and 9% on average. Compared to the normal rate, Illinois is behind by 7%, Indiana 2%, Iowa 2%, Kansas 9%, Minnesota 4% and Nebraska was right at their average pace.

Percent headed totals on winter wheat were 19% nationwide versus 13% on average. Kansas was listed at 9% headed, Oklahoma 40% and Texas 51%. All those totals are ahead of normal, but Texas and Oklahoma are way ahead of normal. 14% ahead of normal in Texas and 15% in Oklahoma to be exact. Based on my travels in Kansas over the weekend, Kansas is going to take a huge leap on percent headed next week as well. There's a LOT of wheat through the central part of the state that's in the boot or heading stage right now.

Spring wheat seeding was 13% complete versus 21% on average. Winter wheat condition ratings were 1 point better in the g/ex category, moving up to 54% g/ex and 13% p/vp. Last year the ratings were 57% g/ex and 9% p/vp. Kansas specifically was 51% g/ex, Oklahoma 43% g/ex and Texas 42%. Compared to a week prior, Kansas was 3 better, Texas up 1 and Oklahoma actually lost two points out of g/ex.

6-10's last night showed below normal temps in the Eastern Corn Belt, normal in the Central Belt and South. From the western edge of the Central Plains through the High Plains the temps were above normal. Precip was pegged at below normal from far southern Kansas though Oklahoma and Texas wheat country and normal to above everywhere else.

Given the very rapid pace of HRW wheat development compared to normal, I think we need to be very cognizant of the fact this wheat is also a lot more susceptible to freeze damage than it normally would be on this date. Because of that potential, it's important to watch the forecast to determine what kind of rally potential might be in the works if the forecast changes. Those 6-10's previously had been showing above normal temps over the entire Plains, but from Central Kansas and Oklahoma to the east they are showing normal temps. "Normal" this time of year leaves the door open for pretty cool overnight lows sometimes.

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