



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

**Matt Hines**

Slaughter cattle traded \$2 higher in the South most at \$132. In the North, cash trade was \$2 to \$4 higher at \$132 to \$133 live and mostly \$210 to \$212 dressed. Beef prices continue to advance and export have been solid the past couple weeks.

After the close, cattle on feed as of April 1<sup>st</sup> totaled 10.9 million head, slightly above April 1, 2016, still reported at 100% vs. year ago. Marketings were strong at 110% and should be friendly to the front end futures this week while Placements at 111% are not friendly to deferred contracts. Placements in feedlots during March totaled 2.10 million head, and were the highest for March since the series began in 1996. Placements of cattle and calves weighing less than 600 pounds were 350,000 head, 600-699 pounds were 295,000 head, 700-799 pounds were 620,000 head, 800-899 pounds were 585,000, 900-999 pounds were 185,000, and 1,000 pounds and greater were 67,000 head.

For the week, Thursday April 13<sup>th</sup> to Friday April 21<sup>st</sup>, April Live Cattle +\$4.42, June +\$2.00, April Feeder Cattle +\$.75, May +\$.85, August +\$1.97, June Lean Hogs -\$4.17, July -\$4.10. Boxed Beef Choice +\$5.08 at \$217.16, Select +\$4.41 at \$203.89. Pork Carcass Cutout +\$.89 at \$74.58

#### **NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 04/21/2017**

<b>RECEIPTS:</b>	<b>Auctions</b>	<b>Direct</b>	<b>Video/Internet</b>	<b>Total</b>
<b>This Week</b>	195,400	65,900	4,100	265,400
<b>Last Week</b>	194,900	80,800	72,600	348,300
<b>Last Year</b>	164,700	35,500	900	201,100

Compared to last week, feeder steers and heifers sold 2.00 to 6.00 higher, with steer and heifer calves being mostly 3.00 to 8.00 higher and instances up to 10.00 to 12.00 higher. Two weeks ago when there was a lull in the market, order buyers were bargain hunting as feedyards weren't too interested in placements at that time. However, this week most feedyards upped their bids and those same order buyers

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can't purchase them fast enough to satisfy their customers. Rain over the weekend in Oklahoma and the Easter holiday has hampered livestock movement however that recent rainfall followed by warmer temperatures has buyers eager and optimistic towards feeders that fit their grazing pastures. Feeder numbers in the Northern Plains are tightening up very quickly so anyone that wanted to purchase had to pounce quickly on the cattle offered for sale. Moisture levels in most grazing areas seem to be alright for this time of year and ranchers do not want a repeat of the Southern Plains horrendous wildfires that happened just a short month or so ago.

Cattle slaughter from Friday is estimated at 104,000 head, down 4,000 from a week ago and down 7,000 compared to a year ago. For the week, 595,000 head, up 5,000 from the week previous and up 10,000 compared to last year.

Hog slaughter from Friday is estimated at 443,000 head, up 69,000 from a week ago and up 24,000 compared to a year ago. For the week, 2,287,000 head, up 64,000 from the week previous and up 54,000 compared to last year.

Boxed beef cutout values firm to higher on moderate demand and moderate offerings for a total of 90 loads sold.

Choice Cutout\_\_217.16 +1.44,

Select Cutout\_\_203.89 +.32,

CME Feeder Index:\_\_138.05 -.40

CME Lean Hog Index.\_\_61.10 -.49

Pork Carcass Cutout\_\_75.47 +.88

IA-S.MN Wtd Avg Carcass Base\_\_53.42 +.01

National average Wtd Avg Carcass Base\_\_53.41 -.47

We are still reaching up for new recent highs and new contract highs for live and feeder cattle futures now. Looking at the weekly charts, live cattle may see some resistance on the front month near \$135 and \$140. When the April contract goes off at the end of this week we start over again with resistance for the June contract at \$120 and every \$5 above. Nearby feeders took a few weeks to break through the \$135 to \$137 resistance areas and now unable to break the \$140 resistance. August and September though reached past \$145 last week with support in the \$130 area. Lean hogs continue to free fall with June with the contract low for June down at \$66.40.

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Corn and wheat were under pressure for most of last week has soybeans were flat. The rains in the Southern Plains continued keeping pressure on wheat but also not allowing corn harvest to begin in many areas. Those that missed the rains were able to advance and we should see some decent progress in this afternoon's crop progress report even though it isn't locally.

Soybeans sold off early on Friday following the Stats Can acreage report showing soybean acres at 6.9 million which was a million above the trade estimate along with a record 22.4 million canola acreage number. Spring wheat planting intentions are 16.66 mil acres vs 15.40 mil last year. All wheat acreage intentions are 23.18 mil acres, very similar to last year's 23.2. Stats Canada acreage report found 3.8 million corn acres, up from 3.3 million last year.

For the week, Thursday April 13<sup>th</sup> to Friday April 21<sup>st</sup>, May Corn  $-\$.14$ , December  $-\$.12 \frac{1}{2}$ , May Soybeans  $-\$.04 \frac{1}{2}$ , November  $-\$.02 \frac{1}{4}$ , May KC Wheat  $-\$.22 \frac{3}{4}$ , July  $-\$.22$ , May Chicago Wheat  $-\$.24 \frac{3}{4}$ , July  $-\$.21 \frac{3}{4}$ .

Overnight, grains were steady to mostly higher with soybeans finishing 6 to 7 higher, corn 2 higher and wheat 2 to 3 higher.

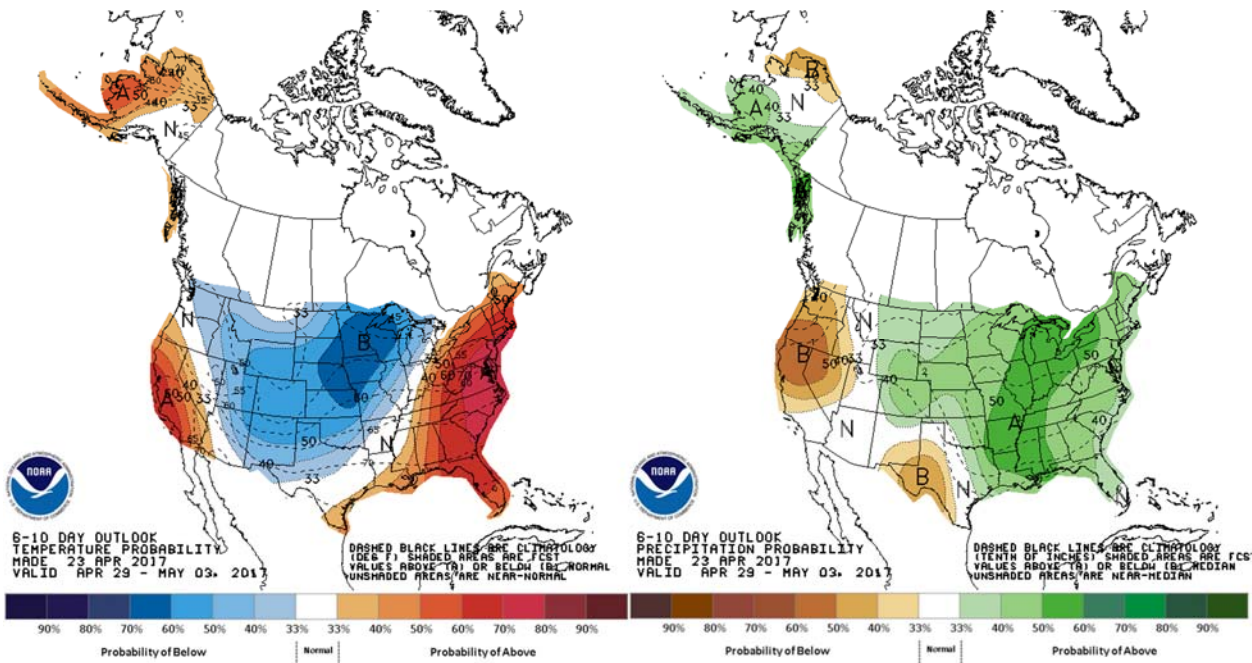
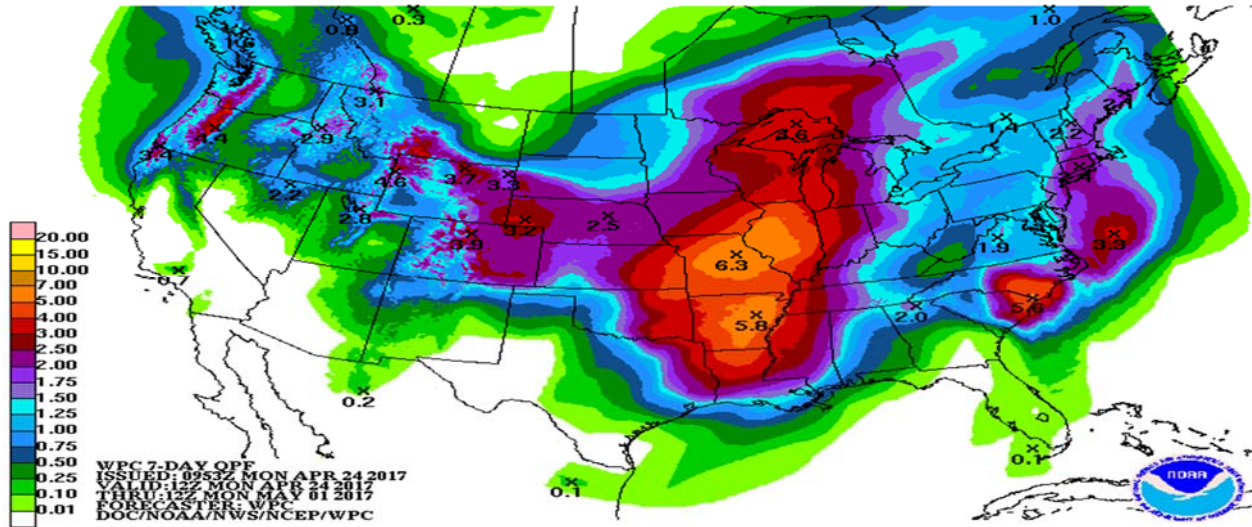
USDA's Monday planting progress report should reflect a total corn planting number close to 20-25%. Such a report would be a little ahead of average, but behind 2016's aggressive planting pace which was 30%. USDA will also be releasing its first update on soybean planting later today. We should be around 2-3% complete which matches last year and the average pace.

May corn is trading at a three week low, and appears to be trying to ease back to the levels seen on the March contract expiration. We should find some support in the \$3.52 to \$3.49 area and resistance up at \$3.73. The December contract did not make a new recent low last week and major support still at \$3.75 with resistance up at \$3.95. May soybeans traded a \$.30 range so far this month with resistance at \$9.60. November has a similar range this month with the recent high at \$9.68. Both the KC and Chicago wheat futures hit new contract lows last week and trying to hold those levels here this week.

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It looks to stay wet still with 2-6 inches forecast over major growing areas this week. The latest 6-10 day run show normal to below normal temps across the Midwest with above normal temps on both coasts. Precip is still above normal for the Plains and Corn Belt.



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