



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Livestock markets opened higher yesterday after a friendly cold storage report Monday afternoon. Lean hog futures led the way now up \$3.50 so far this week. Live cattle futures regained most of their losses from Monday but feeders were only able to settle with modest gains. A total of 5,448 head are consigned for this week's online Fed Cattle Exchange. Last week only 701 head sold at a weighted average price of \$128.62 of the 4,446 head consigned.

Oklahoma National Stockyards - Oklahoma City, OK for 04/24/2017

Actual Receipts: 9,053 Last Week: 5,699 Year ago: 8,416

Compared to last week: Feeder steers and heifers are trading mostly 1.00-3.00 higher with instances of 5.00 higher. Steer and heifer calves selling steady to 5.00 higher on limited comparable offerings.

Tulsa Livestock Auction - Tulsa, Oklahoma for 04/24/2017

Receipts: 2,844 Last Week: 1,497 Year Ago: 2,088

Compared to last week: Steers 8.00 higher. Heifers 4.00-6.00 higher. Quality plain thru attractive. Demand good.

Joplin Regional Stockyards - Carthage, MO for 4/24/2017

Receipts: 4,545 Week ago: 3,543 Year ago: 3,703

Compared to last week, steer calves over 450 lbs steady to 3.00 lower, steer calves under 450 lbs and heifers under 650 lbs steady to 5.00 higher, yearlings steady. Demand good, supply light.

Cattle slaughter from Tuesday is estimated at 116,000 head, even with last couple Tuesday's and up 3,000 compared to a year ago.

Hog slaughter from Tuesday is estimated at 439,000 head, down 4,000 from a week ago but up 7,000 compared to a year ago.

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Boxed beef cutout values firm to higher on moderate to fairly good demand and moderate to heavy offerings for a total of 141 loads sold.

Choice Cutout__219.01 +.34

Select Cutout__206.27 +1.98

CME Feeder Index: __139.31 -.10

CME Lean Hog Index.__60.16 -.33

Pork Carcass Cutout__73.82 -.67

IA-S.MN Wtd Avg Carcass Base__53.93 -.02

National average Wtd Avg Carcass Base__53.67 +.22

June live cattle pulled back about \$3 from last week's high to this week low with support down near \$113. The higher trend since October has had 2 major pullbacks of around \$6. When the April contract goes off at the end of this week we start over again with resistance for the June contract at \$120, \$125 and \$130. 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. June lean hogs up over \$4 from their lows last week with resistance at \$72 and again at \$74.

Corn and wheat started the day higher yesterday as soybeans lagged behind. Spread trading was the main market mover. Weather continues to look wetter across the Midwest for not only this week but into next now and cold temps with snow falling in the North. Wheat looked like just some short covering to start but was led higher by the MPLS market in which spring wheat planting are behind with only 22% in the ground compared to 34% average pace and 40% last year.

Private estimates for Brazil's crops continue to increase production. The estimates from 2 weeks ago were 93.5 MMT of corn or 3.681 BBU and 111 MMT of soybeans or 4.079 BBU. Also in Brazil, a private estimate shows Brazil's cattle slaughter up 10% year over year to 40.4 million head in spite of the tainted meat scandal.

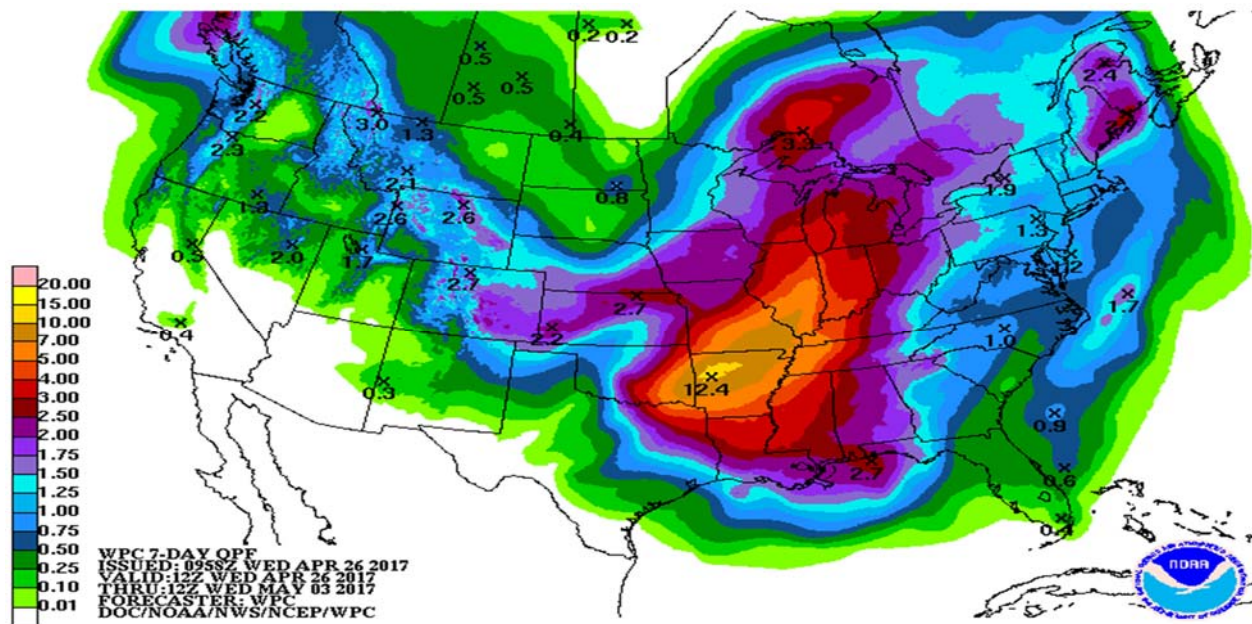
Overnight, grains continued yesterday's trend of buying corn and wheat while selling soybeans. Wheat was able to stay in the green and finish 1 higher but corn was pulled back to finish steady to 1 lower and soybeans 2 to 3 lower.

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First notice day for all May grain contracts is this Friday, please have positioned rolled or exited by then has the daily limits expire on the front month and volume is already thinning. Corn futures have been trading a \$.20 range over the past 2 months. July's range is from \$3.60 to \$3.80 while December's is from \$3.78 to \$3.95. July soybeans traded a \$.30 range so far this month with resistance at \$9.72 ½ and support \$9.41. November has about the same from \$9.41 up to 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. July KC wheat would need to push above \$4.45 for another leg higher and July Chicago above \$4.50.

Rains develop over the western half of the Corn Belt today and move to the east tomorrow. The next big storm starts in the Central/Southern plains over the weekend and move into the Ohio River valley with 3 to 6 inch accumulations predicted. The updated 7 day accumulated precip map now has a bullseye of over 12 inches in Arkansas. The latest 6-10 day run continues to show normal to below normal temps across the Midwest with above normal temps on both coasts. Precip is still above normal for the Eastern half of the U.S.



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