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Well, what a lot of people perceived to be a great potential day for big upside in the cattle market turned out to be a dud. That was a big-time weather event in the High Plains that very easily could have given a big boost to the futures trade. However, after watching the live and feeder cattle markets ratchet higher in leaps and bounds recently, perhaps the rally was getting a little tired??

While the commodity funds and managed money have amassed a giant long futures position in the cattle complex, the last cash trade versus the now spot June Live Cattle futures is currently holding an unprecedented price disparity. $138-$140 cash highs last week compared to a $124.12 futures close yesterday in the June leaves one of two things as a strong likelihood; 1) either June futures have a huge rally coming to catch up to the cash, or, 2) cash is going to fall off a cliff really soon. Index fund rolls coming up very shortly would lead me to believe June may struggle to go up much when their positions are sold out of the June and into August. On the other hand, packers sure act like they have zero leverage in the cash trade. Plus, the weather in the western 1/3 of Kansas isn't conducive to lower cash in that area specifically. There's an interesting battle ahead…

Feeders showed a lot more weakness than the live market yesterday with a good part of the session spent in triple digit losses. Front end corn being up 10+ cents is what I'll credit towards those losses.

Cattle slg.___ 107,000 -8k wa -2k ya
Choice Cutout__226.27 +4.49
Select Cutout___209.45 +1.77
Feeder Index:___141.72 +.34

Lean Index.__59.88 +.24
Pork cutout___75.41 +.95
IA-S.MN direct avg__57.86 +.83
Hog slg.___ 421,000 -21k wa -10k ya

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Grain and oilseed trade caught a huge spark of buying, led entirely by weather. From snow over the weekend on Kansas wheat to freezes late last week over parts of HRW wheat country, it was a gimme that KC wheat would lead the pack. The same cold and moisture spread north and east over the rest of the Plains and Corn Belt, bringing snow in some places and heavy rains and ground cooling temps over newly planted corn and soybeans. KC wheat did lead the gains with closes almost 30 cents higher. Chicago finished over 20 better. Corn was up in the double digits on old crop and beans were in the double digits higher on both old and new.

Export inspections yesterday morning were friendly across the board. Milo inspections were 4.5 mln bushels, which was very close to the year ago total and well over the previous week's level. Corn inspections were 43.1 mln bushels, beans 19.2 mln and wheat 21.1 mln bushels inspected for export. There's 30 days left in the wheat marketing year.

Crop Progress and Condition data showed the corn planting pace at 34% complete, which is right at the average for this date. Emergence was 9% versus 8% on average. Soybean seedings are 10% done versus 7% on average. Milo planting is at 27% compared to 26% normally.

Winter wheat condition ratings were unchanged from the previous week at 54% g/ex. By state, Kansas dropped 3 points from the previous week, Oklahoma was up 3 and Texas 2 points better. I think from a Kansas perspective, you can ignore the number though, because next week the ratings from the High Plains area is going to step off a cliff because of the heavy snow laying everything down. With 44% of the Kansas wheat headed compared to 33% normally, the crop was very vulnerable to all the adversity Mother Nature threw at it over the last six days. What's bad for production potential is usually good for price though and KC futures reflected that very nicely yesterday.

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