



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

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Cattle complex futures enjoyed a day of solid green with the back months gaining a lot more than the front. Past the May Feeder Cattle, everything was up over \$2.00. June and August Live Cattle were up less than \$1.00, but everything beyond was solidly over \$1.00 higher. With the big money fund and HFT trade being so active these days, finding valid reasoning is really kind of pointless. We went down big for a couple of weeks with very little reasoning. We're going up big so far last week and this week with very little reasoning as well.

Cold Storage data for the month of April was released yesterday afternoon. Total frozen poultry supplies were up 5% from a year ago with chicken specifically down 1%. Turkey was up 20%. Total red meat was down 4% from a year ago, but up 4% from the previous month. Beef was down 2% from last year. Pork was down 6% from last year. Pork bellies were up 66% from March, but still 53% below year ago levels. While not quite as friendly as last month's Cold Storage data, I'd still view the pork and beef side of this month's report as continued friendly for red meat demand.

Coming up on Friday is the monthly COF report. The range of analyst's estimates for the On Feed total on May 1 are from 98.1% of last year up to 101.6%. Placements in the month of April are expected between 103.1% up to 108.4%. Marketings have a range of guesses from 101% of a year ago up to 102.7% for the month of April. With one less business day in April compared to 2016, a marketing rate in the upper 101% to low 102% area in the report data would mean an actual marketing rate of around 6%-6.5% larger than year ago totals.

Cattle slg. ___ 114,000 -1k wa +5k ya

Choice Cutout ___ 247.88 +.74

Select Cutout ___ 222.83 +1.41

Feeder Index: ___ 142.88 -.98

Lean Index. ___ 75.89 +.34

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Pork cutout___88.71 +1.45

IA-S.MN direct avg___70.83 -.52

Hog slg.____ 441,000 +4k wa +8k ya

Grain and oilseed trade yesterday found wheat futures under mild pressure and fall crop markets of corn and soybeans showing mild gains at the close. Weather-wise, the corn and bean markets are caught in the middle of the age old struggle between “rain makes grain” and “rain causes replant issues on newly planted crops with wet feet.”

Export inspections that came out mid-morning were friendly across everything except milo, which was just neutral. Corn inspected for export was 45 mln bushels. Soybeans were 12.8 mln bushels. Wheat was 24.8 mln, which was great to see with just two short weeks left in the marketing year for wheat.

Crop progress and condition data had a bearish undertone for corn, soybeans and wheat. Overall wheat conditions were a bit of a surprise, coming in up one from a week ago at 52 pct G&E. For an even bigger surprise, by class the HRW wheat crop came in at 46 pct G&E, which is up two from a week ago. Expectations were for conditions to be down slightly, with frost and snow damage starting to surface. South Dakota was up 14 pct, recouping most of last week’s losses. Oklahoma and Kansas were each up 3 pct, while Colorado was down 3 pct and Nebraska and Texas were each down 1 pct. The SRW wheat crop came in unchanged for a second consecutive week at 65 pct G&E. Illinois was down another 8 pct (28 pct over the past three weeks) and Indiana was down 1 pct, while Michigan and Ohio were each up 2 to 3 pct and Missouri was up 1 pct. Winter wheat headed is now at 72 pct vs 63 pct last week, 74 pct this week last year and the five year average of 67 pct. Spring wheat planting was up 12 from a week ago and is now 90 pct complete. This compares to 94 pct this week last year and the five year average of 84 pct. Spring wheat emerged is at 62 pct vs 75 pct this week last year and the five year average of 59 pct.

Corn planting was up 13 to 84 pct complete and that compares to 84 pct this time last year and 85 pct normal. Corn emerged is at 54 pct vs 58 pct this week last year and the five year average of 55 pct. Sorghum planting moved up only 5 and is now 37 pct complete.

Soybean planting moved up 21 points to 53 pct complete and is now at the same pace as last year, along with slightly ahead of the five year average of 52 pct. Beans emerged is at 19 pct vs 20 pct this week last year and the five year average of 21 pct.

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If there is one primary complaint in the planting progress data, it is coming from the farmers in some of the areas where it has been excessively wet and either haven't turned a wheel in awhile, or are facing significant replant issues when it finally dries out enough to work.

8a.m. export reporting showed 126k mt's of US beans sold to unknown destination.

6-10's last night in the weather showed below normal temps in the Central and Southern Plains, stretching into the Central Corn Belt. The far north was normal, along with the eastern part of the central and eastern Corn Belt. The East Coast was above normal. Precip was above normal central, south and east and below normal from Central Nebraska up into the Northern Plains.

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