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Cattle complex futures finished actively higher again on Wednesday with fats up well over $1.00. Feeders had the front two months up more than $2, while the balance were $1.00+ gains. Hogs joined the party as well with $1-$2 gains on the front three and just mild gains beyond.

Fed Cattle Exchange internet trade only had 2067 head of cattle consigned this week with 1257 selling, the rest were no-sales. The weighted average price for 1-9 day delivery cattle was $132.24, which is down 30 cents from last week. 10-17 day delivery cattle were off $4 and that's a pretty clear indication that the packer and feeder are thinking the deeper into June we get the more pressure potential we'll see on cash. The fact the front end of that trade on the exchange was only mildly weaker is a good endorsement to cash potential in the remaining negotiated trade to be in the range of steady to mildly weaker compared to the $2, $4 and $6 drops we had seen in previous weeks through May.

The cattle complex has done a remarkable job of shaking off the bearishness of 11% more placements in April than the previous month. That report was released midmorning Friday and got a hard down bearish reaction immediately. Every session since though has been strongly higher, which is a great thing to see happening.

Cattle slg.___ 116,000 +1k wa +3k ya

Choice Cutout__245.54 +.29

Select Cutout___218.18 -1.27

Feeder Index:___145.53 -.08

Lean Index.__ 76.53 +.08

Pork cutout___91.00 +.87

IA-S.MN direct avg__74.31 +1.27

Hog slg.___438,000 -3k wa +4k ya

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Grain and oilseed trade was highlighted by the corn market's bullish reaction to a 65% g/ex rating on Tuesday's crop condition report. A year ago at the same time, the first crop rating that came out was 72% g/ex. The Eastern Corn Belt seems to have the biggest troubles at the current time with Illinois showing only 52% g/ex, Indiana 43% g/ex and Ohio 49% g/ex. By comparison, Minnesota was rated 68% g/ex, Iowa 73% and Nebraska 76% g/ex. At one point the new crop was getting close to double digits higher at a price just below $3.95. That's the 5th time since April that the new crop corn has been in the 394-395 range and failed, which has created some massive resistance at that level. Heavy resistance is a catch-22 situation. The downside is, it's tough to get through that level. The upside though, the heavier that resistance becomes, if and when it does break out above, the move can often times be pretty active and exciting to the upside as the market runs speculative stops.

Wheat news was a little on the bearish side yesterday with Egypt filling their recent tender with Russian and Romanian wheat. US offers were considerably higher than others in this round, which is discouraging. Weather in HRW wheat areas continues to be conducive to good crop development. Temps have been mild, there have been scattered rains in quite a few areas and the 6-10's continue to show wet and cool. Good production equals lower price potential, but that's only for HRW wheat. Spring wheat futures are getting some bullish legs built from the dryness in the Northern Plains. Not only do I think acres are down a lot more than USDA indicated in the March intentions report, but yield in the Dakotas in particular is going to be down as well. That's the big hope in the short term for keeping some support under all the wheat markets.

6-10's last night showed below normal temps for the Central Plains and the entire Corn Belt. High Plains temps were normal and the far Northern Plains was above normal still. Precip was above normal for all of HRW wheat country into central Nebraska. The Corn Belt and Northern Plains was below normal.

Weekly export sales that are normally released on Thursday are delayed until tomorrow this week due to Monday's Memorial Day holiday.

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