



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets – Matt Hines

Technical selling hit all the livestock contracts to start the week. Showlists appear larger in the South and smaller in the North compared to last week, beef prices continue steady to higher.

Oklahoma National Stockyards - Oklahoma City, OK

Livestock Auction Report for 3/12/2018

Receipts	Week Ago	Year Ago
9,250	7,029	6,592

Compared to last week: Feeder steers 600-800 lbs steady to 1.00 lower, 800-1000 lbs 3.00-4.00 lower. Feeder heifers 3.00 lower. Steer and heifer calves 1.00-5.00 lower. Demand moderate. Quality mostly average. The drought continues to plague the trading area with feedlots filling to the brim from producers' continuing to sell out of necessity.

Joplin Regional Stockyards - Carthage, MO

Livestock Auction Report for 3/12/2018

Receipts	Week Ago	Year Ago
7,888	7,967	6,985

Compared to last week, steers under 800 lbs steady, heifers under 700 lbs steady to 3.00 higher, steers over 800 lbs and heifers over 700 lbs steady to 3.00 lower. Demand moderate to good, supply moderate to heavy. The offering mostly weaned calves and yearlings with a few fleshy, new crop calves in the mix.

Cattle slaughter from Monday is estimated at 113,000 head, down 6,000 from the week previous and down 1,000 compared to a year ago.

Hog slaughter from Monday is estimated at 460,000 head, up 10,000 from the week previous and up 21,000 compared to a year ago.

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Boxed beef cutout values steady on light to moderate demand and offerings for a total of 91 loads sold.

Choice Cutout__223.90 -.24

Select Cutout__217.49 +.23

CME Feeder Index:__143.34 -.84

CME Lean Hog Index.__67.05 -.47

Pork Carcass Cutout__74.88 +1.45

IA-S.MN Wtd Avg Live__ N/A, Wtd Avg Carcass Base__60.28 +.74

National Wtd Avg Live__ N/A, Wtd Avg Carcass Base__60.53 -.88

April live cattle continue to trend lower from their most recent peak at \$128 back in January with the next level of support not until \$118. March Feeders below all moving averages and breaking the higher trend that was in place since mid-December. The next support level is down around \$140 with resistance up at \$147.50. April lean hogs have lost over \$10 since early January and approaching the next support level down at \$65 followed by the contract low at \$63.75 hit shortly after the contract first starting trading in October 2016.

Grains traded mixed throughout the day on Monday but were able to finish with small gains. All eyes on South American weather, U.S. Southern Plains drought and export trade. Export shipments for the week ending March 8th were all above expectations with corn at 54.2 MBU, soybeans 33.4 MBU, wheat 14.3 MBU and grain sorghum 7.6 MBU. Wheat is the only still a bit low with 20 MBU per week needed to ship over these next 12 weeks to meet USDA's current estimate at 925 MBU.

Latest weekly winter wheat ratings showed an improvement for TX and OK, but not in KS with a -1 decline in G/E to 12% and 3% increase in P/VP to 53%. TX +3 to 13% G-E, OK +1 to 7% while the P/VP category saw TX -11 to 53% and OK -5 to 72%. There are some spots greening up which is a good sign that at least the wheat will respond to rain, if it comes. TX reported corn planting at 26% complete compared to 11% last week, 18% 5-year average.

Grains were steady to higher overnight adding to yesterday's bounce off recent lows. Corn finished 1 higher, beans 2 to 6 higher and wheat 2 to 4 higher.

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Taiwan purchased 92,465 MT or 3.4 MBU of U.S. milling wheat. South Korea purchased a total of 324,000 MT or 12.8 MBU of optional origin corn. USDA reported a private sale of 210,000 MT or 8.3 MBU of corn sold to South Korea.

Continued dry conditions are expected in Argentina through the rest of this week as their growing season wraps up near the end of March into early April. The latest 6-10 day outlook here for the U.S. shows above normal precipitation for most, below normal only in west TX and FL. Temperatures are forecasted above normal the South and Southeast, below normal for the West and Northern Plains.

May corn topped at \$3.93 ³/₄ last week with the next resistance level up at \$3.95 and support around \$3.81. May soybeans are off \$.40 from the contract high at \$10.82 ¹/₂ with support not for another \$.30 down around \$10.10. May KC tested resistance at \$5.48, now off \$.20, with support right around \$5.00. May Chicago wheat was unable to take out the \$5.20 resistance with support down at \$4.80.

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