



**Loewen and Associates, Inc.**

**Commodity Consulting/Brokerage**

**Matt Hines, Doug Biswell,**

**Matt Burgener, Alex Gasper**

**Pete Loewen**

**866 341 6700**

**www.loewenassociates.com**

Date: April 24, 2018

**Morning Ag Markets**

**Pete Loewen**

Cattle complex futures came out of the chute with a raging bullish charge on Monday. Both the live and feeder markets had contracts that topped \$2 higher at the close and everything was up in the triple digits except for the deep deferred live cattle months, from December and beyond. Hog futures shared an equal level of enthusiasm, but their excitement was to the downside, not up.

Friday's COF numbers confirmed the 2<sup>nd</sup> largest feedlot inventory on record for the month of April, since the new data series began in 1996. Placements in the month of March were 9% lower than last year, although last year's placements were also the highest on record. The lower in-movement number was the first time we had seen placements fall below the previous year in 13 consecutive months. That means the last time placements were lower was back in February 2017 and they were only 1% lower than the previous year in that report. I think the market did a great job of tuning out the On Feed numbers and focusing more on bullish chart technicals, warmer weather and spring-time grilling season beginning, which is strongly supporting product trade and a surging cash market that posted increases as much as \$4 week-to-week in the feedlot trade.

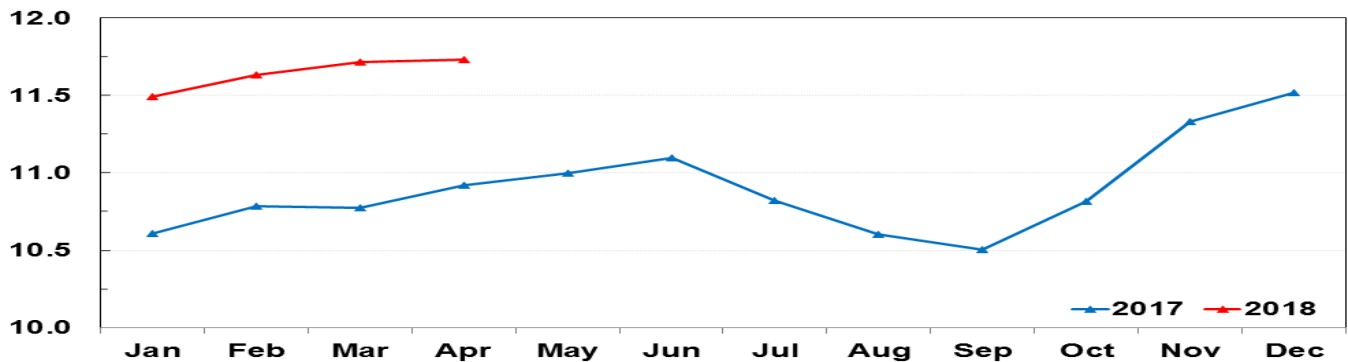
Yesterday afternoon we got monthly Cold Storage data released and there was a bearish undertone to those numbers. Total frozen poultry supplies were up 12% from a year ago at the end of March with a number that set an all-time record. Frozen pork was up 12% from a year ago as well, while pork belly supplies specifically were up 188% from last year. Frozen beef was down fractionally from a year ago and was the only bright spot in the report numbers. Big picture view of the data was a little friendly beef, but the bearishness of pork and poultry solidifies the bearish factor of "total meat" being burdensome and a solid chance for pork and poultry to undercut beef prices at the meat counter by a wide margin.

Copyright © Loewen and Associates, Inc.

**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

## United States Cattle on Feed 1,000 + Capacity Feedlots

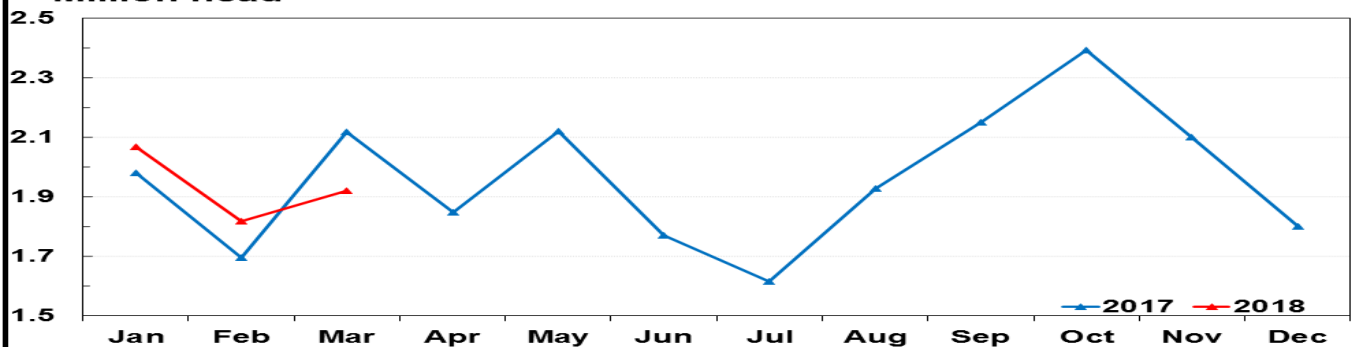
Million head



USDA-NASS  
04-20-2018

## United States Cattle on Feed 1,000 + Capacity Feedlots Number Placed

Million head



USDA-NASS  
04-20-2018

Cattle slg. \_\_\_117,000 +1k wa +2k ya  
 Choice Cutout \_\_215.11 +3.13  
 Select Cutout \_\_\_201.72 +1.59  
 Feeder Index: \_\_\_138.13 +1.57  
 Lean Index. \_\_57.88 +1.08  
 Pork cutout \_\_\_67.87 -.04  
 IA-S.MN direct avg \_\_57.80 -.13  
 Hog slg. \_\_\_464,000 unch wa +21k ya

\*\*\*\*\*

Copyright © Loewen and Associates, Inc.

**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

Grain and oilseed trade was a mixed bag at the close yesterday. Corn finished a little higher, along with KC wheat. Soybeans, Chicago and MGEX wheat were all lower. Fund activity was estimated as buyers of 8000 corn and sellers of 9000 beans and 5000 wheat, so that matches up very well with the price action.

Export inspections were really good in corn, which might have had some influence on corn still closing higher in the face of the milo news from China slapping a 178% duty on milo imports last week. Corn export inspections were 67.7 mln bushels and that was 10 mln larger than the same week a year ago. Cumulative inspections are still running 20% behind last year at the same time with USDA projecting a 3% decrease in total exports versus last year. The gap is closing, but it's closing very slowly still.

Soybean export inspections were 17.3 mln, down from 23.8 mln last year in the same week. Soybean shipments are 13% under last year at the same time and USDA has them pegged to end the marketing year down 5%. Soybeans have some catching up to do still, just like corn.

In the wheat, export inspections were bullish at 22.8 mln bushels. The marketing year for wheat ends on the last day of next month and total shipments are 10% below last year with a USDA projection of a 12% drop. Ending stocks still pegged at over 1 bln bushels keeps the old crop wheat picture very bearish still, but crop condition ratings being terrible in HRW wheat and a slow start to planting on spring wheat at some point should keep the friendlier picture towards new crop alive. It just wasn't acting very lively yesterday.....

Crop condition ratings in winter wheat in yesterday afternoon's report showed g/ex ratings unchanged at 31% nationwide versus 54% g/ex numbers last year at the same time. P/vp ratings were unchanged from last week at 37%, but last year it was only 13%. The big three in HRW wheat got worse. G/ex ratings were unchanged in Kansas at 12%, unchanged in Oklahoma at 8% and got 1 point better in Texas to 14%. P/vp numbers got larger with Kansas getting 3 points worse to 49% p/vp, Oklahoma 1 point better to 64% p/vp and Texas 1 point worse at 64% p/vp.

Spring wheat planting was 3% done yesterday versus 21% last year and 25% on average. I would think that news could have gave MGEX wheat some legs last night, but it didn't.

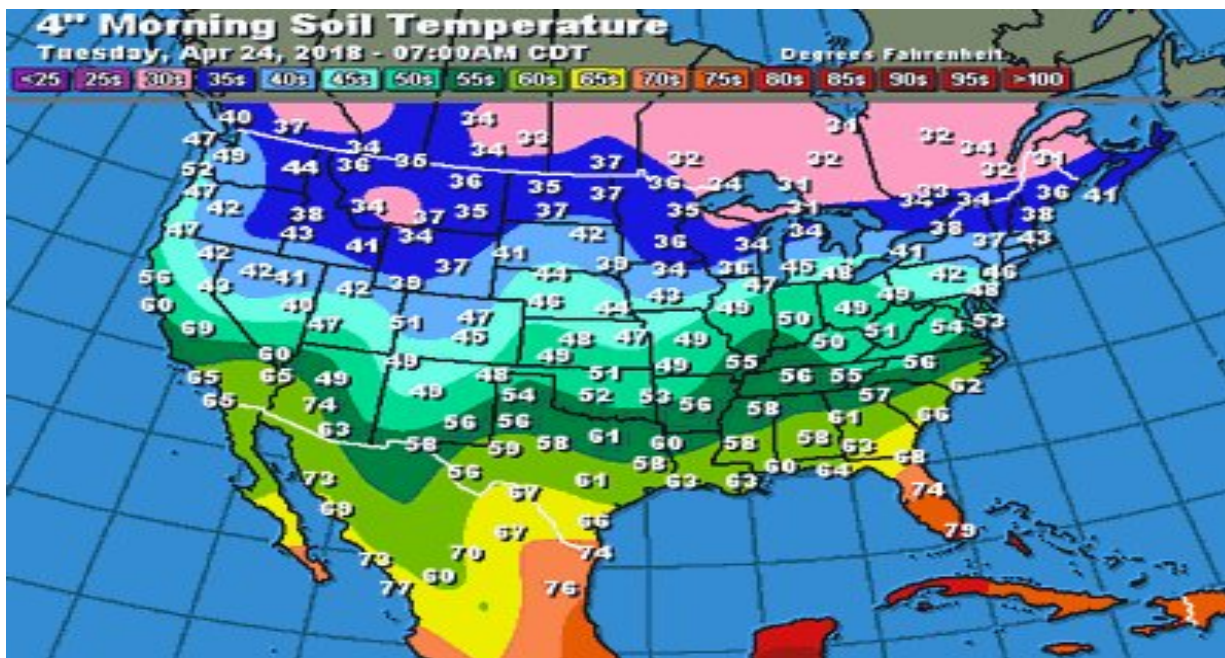
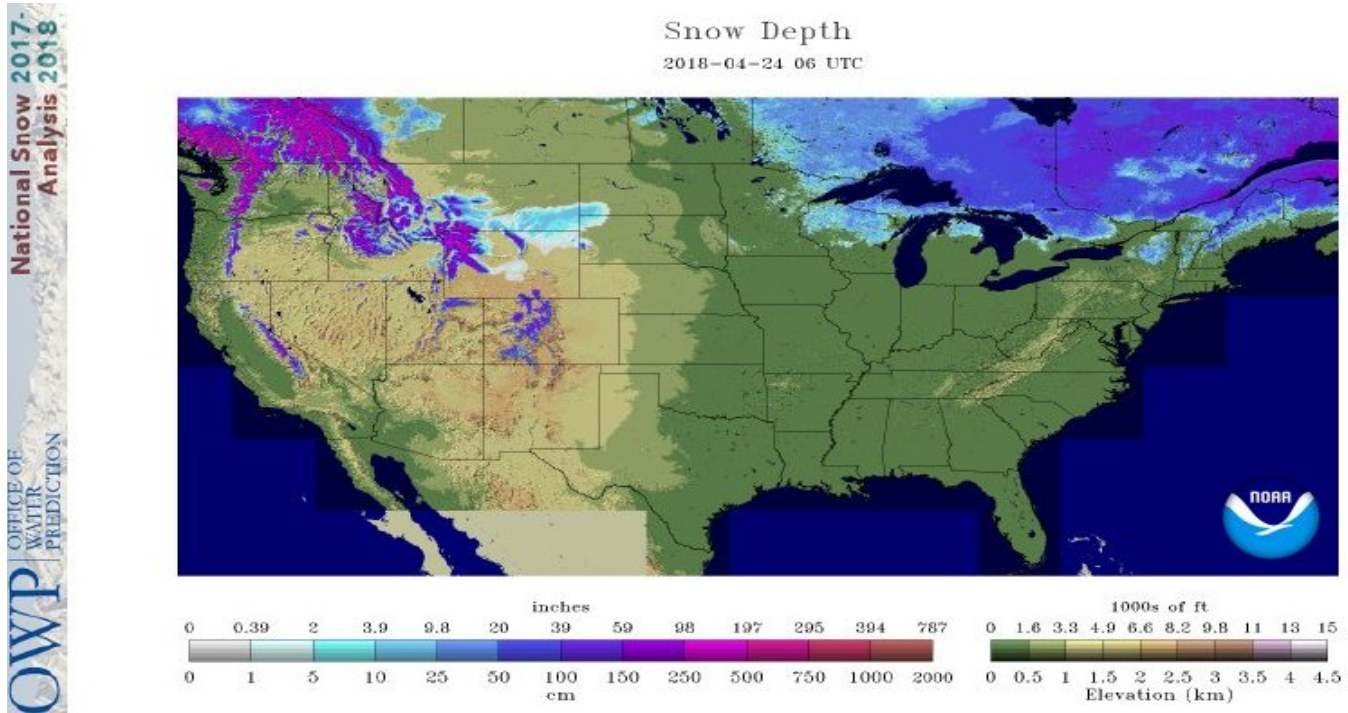
Corn planting came in at 5% done nationwide, which was up 2 points from last week. Last year we were 15% done and the average pace is 14%. In the top 4 Corn producing states, Illinois was 4% done and Nebraska 2%. That was the only progress from the top four. Normally they would ALL have a little bit in the ground already on this date.

8am daily reporting showed 130k mt's of US soybeans sold to Argentina. 60k of that total was old crop and 70k new. That's the first old crop beans we have sold to Argentina this year.

Copyright © Loewen and Associates, Inc.

**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

There were two separate sales reported to Argentina a couple of weeks ago and both of those were new crop. I'd view that as bullish!



**Pete Loewen**

**Loewen and Associates, Inc.**

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener / Alex Gasper

[www.loewenassociates.com](http://www.loewenassociates.com)

Copyright © Loewen and Associates, Inc.

**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**