



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets – Matt Hines

Cattle futures held triple digit gains through midday yesterday but finished mixed as hogs were under pressure most of the day. A few hundred head traded yesterday at \$121 live, cleanup from last week.

Oklahoma National Stockyards - Oklahoma City, OK

Livestock Auction Report for 4/16/2018

Receipts	Week Ago	Year Ago
8,100	4,295	5,699

Compared to last week: Feeder steers and heifers traded steady to 3.00 higher. Steer calves 500-600 lbs. traded steady to 2.00 higher, lighter weights as well as heifer calves lightly tested with a higher undertone noted. Demand good for all classes. Quality average to attractive. Many larger lots on offer today compared to the last few weeks and buyers taking advantage of the opportunities to fill trucks and pens.

Joplin Regional Stockyards - Carthage, MO

Livestock Auction Report for 4/16/2018

Receipts	Week Ago	Year Ago
5,734	4,496	3,543

Compared to last week, steer calves steady to 4.00 lower, heifer calves steady, yearlings steady to 4.00 higher. Demand moderate to good, supply moderate. Steady to higher Fed Cattle trade and Cattle Futures showing some strength is beneficial to the feeder cattle trade. Pastures are green but the grass is not growing. Winter continue to hang on with morning temperatures below freezing.

Cattle slaughter from Monday is estimated at 116,000 head, down 2,000 from last week but up 9,000 compared to a year ago. Hog slaughter from Monday is estimated at 464,000 head, up 14,000 from last week and up 160,000 compared to a year ago.

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Boxed beef cutout values lower on Choice and steady on Select on light to moderate demand and moderate offerings for a total of 116 loads sold.

Choice Cutout__211.79 -.82

Select Cutout__199.98 -.07

CME Feeder Index:__137.59 +1.17

CME Lean Hog Index.__53.53 +.30

Pork Carcass Cutout__68.15 +1.82

IA-S.MN Wtd Avg Live__ N/A, Wtd Avg Carcass Base__51.68 +.16

National Wtd Avg Live__ 39.13 +.61, Wtd Avg Carcass Base__50.82 +.69

April live cattle gapped higher yesterday and tested resistance at \$118.40 before closing near the day's lows. April Feeders continue to show a higher trend in place since new lows on April 4th. Support is at \$136 with resistance up near \$144. May lean hogs rallied near \$10 the past couple weeks and some long liquidation occurred yesterday. Support is at \$67.30 with resistance at \$70.12.

Grains were all under pressure to start the week, wheat hit the hardest with some rain forecasted for the Southern Plains. Corn remains rangebound, under pressure from the others, but export shipments remain friendly at 59.2 MBU for the week ending April 12th. Notably, the report included two cargos shipped off the PNW to Mainland China. Grain sorghum shipments were also positive at 4.6 MBU while soybean and wheat shipments were above expectations but still poor at 16.4 MBU and 17.78 MBU respectively.

Soybeans were under pressure most the day, rebounded some from the NOPA March crush report that set a new all-time monthly record at 171.858 MBU. Pre report estimates were already looking for a big number at 168.25 MBU, but this blew that expectations away. The average daily rate of crush was 5.54 MBU/day.

Financial markets are relatively calm after the limited missile strike on Syria over the weekend. Ag markets in general are in a slightly better "mood" of late on trade policy, following reported progress in the TPP, NAFTA, and China negotiations.

Crop progress and conditions were released after the close yesterday with almost all of the northern white wheat states along with most SRW states showing improved conditions but every HRW state getting worse. Winter wheat conditions

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came in at 31% G&E and 37% P&VP vs last week's data of 30% G&E and 35% P&VP.

Kansas conditions coming in at 12% G&E and 46% P&VP vs last week when they were 13% G&E and 44% P&VP. It is the worst ratings on record for the third week of April. Wheat progress was said to be 22% in the jointing stage vs 13% last week.

Oklahoma conditions fell, coming in at 8% G&E and 65% P &VP vs last week's 10% G&E and 57% P&VP. These are the third worst in the past 12 years for this date. Only the 2011 and 2006 crops were worse, and those years the state had yields of 23 and 24, respectively. Wheat progress was said to be at 75% in the jointing stage vs 57% last week, 91% this time last year and the long-term average of 87%. The data said 15% of the crop is said to be headed vs 1% last week, 35% this time last year and the long-term average of 16 %.

Texas conditions fell to 13% G&E and 63% P&VP vs last week when they were 14% G&E and 61% P&VP. Ratings this week continue to be similar to that of 2014 when we saw a 30 yield. Wheat progress was said to be 40% headed vs 17% last week, 49% this time last year and the long-term average of 32%.

The USDA told us what we already knew after the close; there was very little corn planting progress achieved last week. National corn planting progress was pegged at just 3% complete, which compares to 6% average and 2% last week. Only three states - Texas, North Carolina, and Tennessee - registered progress above 10%. Spring planting only at 3% compared to a 15% average pace.

In South America, harvest disruptions could occur in Argentina given a rainier outlook. Brazil could use more rain in southern growing areas, and this could be a bigger deal as we get into pollination next month. Argentina's first crop corn is over 25% harvested, Brazil first crop corn is closing in on 80% harvested, and second crop corn has been completely planted.

Grains overnight stayed firm with corn finishing steady to 1 higher, soybeans 2 higher, and wheat 2 to 5 higher.

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China's Commerce Ministry overnight issued a preliminary ruling saying US Sorghum was being dumped into the China market, hurting Chinese farmers. The move prompted the ministry to require importers to post additional bonds amounting to 178% of the value being imported to cover potential anti-dumping duties once the final investigation is concluded.

Some rain still forecasted for the Southern Plains and Southeast this week but the latest 6-10 day outlook back to below normal precip for the Southern Plains, below normal now for the Upper Midwest and continued above normal for the Southeast. Temperatures are forecasted above normal for the Southwest, below normal for the Southeast and Corn Belt.

May corn trending lower since testing the \$3.92 resistance again early last week and now sitting at support levels. May soybeans finding support at the 10-day moving average with the next support level down at \$10.36 and resistance up at \$10.67. May KC wheat now off \$.50 from its breakout high early last week, support down near \$4.56. May Chicago wheat right at support levels with the next down near \$4.40 and resistance up near \$4.94.

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