



## **Loewen and Associates**

**Commodity Consulting/Brokerage**

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**Date: April 23<sup>rd</sup>, 2018**

### **Morning Ag Markets – Matt Hines**

Cash feedlot trade was light on Friday with a few live cash trades in NE at \$119 and a few dressed cash trades at \$192 to \$195. In the Southern Plains, Thursday saw active trading in the Texas Panhandle at \$121 and in KS at \$122 which was \$2 to \$4 higher than the week prior.

#### **NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 04/20/2018**

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	182,800	62,500	700	246,000
Last Week	205,400	53,300	18,600	277,300
Last Year	195,400	65,900	4,100	265,400

Compared to last week, feeder steers and heifers sold steady to 4.00 higher in the North and South Plains while the Southeast sold 3.00 to 6.00 higher. The North Plains region is starting to dig out from the blizzard over last weekend. Some main transmission lines left many producers without power for days as remnants of the winter storm stretched from Montana through Minnesota, encompassing a vast area that would have just started their calving seasons. Many Northern-tiered states are content to start their calving seasons later as they are accustomed to having a severe winter blast in the month of March. Occasionally April weather wreaks havoc and brings everyone back to reality and Mother Nature shows who is still in control. Calving has been challenging for a wide area of producers this spring with temperature fluctuations and excessive moisture being reported. Pens in South Dakota and Nebraska have been reported to be in muddy conditions for the last several weeks and this one was no different. With the extra slogging around the pen a fed steer must do, it just burns up mega-calories that normally goes into gain. The winter wheat pasture grazing programs that backgrounders had relied on for years was virtually nonexistent due to drought in the Southern Plains this year. The marketing pattern of those cattle have yet to be determined, however those cattle probably were on a finishing ration sooner than normal due to lower cost feed ingredients. With all those factors to take into consideration the Southern

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Plains feedlots will probably see a rise in marketings in the next month or so. Calf prices are still lofty in the country this week.

For the week, Friday April 13<sup>th</sup> through Friday April 20<sup>th</sup>, April Live Cattle +\$2.80, June +\$.07, April Feeder Cattle -\$2.07, May -\$1.05, August -\$0.60, May Lean Hogs -\$0.25, June -\$0.10 Boxed Beef, Choice -\$0.63 @ \$211.98, Select +\$.08 @ \$200.13.

Cattle on Feed report after the close Friday is seen as neutral coming in right at pre report estimates. Cattle on Feed as of April 1<sup>st</sup> were reported at 11.729 million head, 107% vs. a year ago. Marketings were at 96% and placements down to 91% which is friendly.

Cattle slaughter from Friday is estimated at 114,000 head, down 2,000 from the week previous but up 7,000 compared to a year ago. For the week, 624,000 head, up 19,000 from the week previous and up 23,000 from last year. Beef production for the week at 508.5 million pounds compared to 493.5 million the week previous and 479.9 last year.

Hog slaughter from Friday is estimated at 454,000 head, down 3,000 from the week previous but up 11,000 compared to a year ago. For the week, 2,436,000 head, up 64,000 from the week previous and up 139,000 from last year

Boxed beef cutout values firm to higher on light to moderate demand and moderate to heavy offerings for a total of 142 loads sold.

Choice Cutout\_\_211.98 +.64, -.63 for the week

Select Cutout\_\_200.13 +1.65, +.08 for the week

CME Feeder Index: \_\_136.56 -.56

CME Lean Hog Index.\_\_56.80 +.83

Pork Carcass Cutout\_\_67.91 -.51

IA-S.MN Wtd Avg Live\_\_ N/A, Wtd Avg Carcass Base\_\_57.93 -.67

National Wtd Avg Live\_\_ 41.17 +.45, Wtd Avg Carcass Base\_\_57.65 +.14

April live cattle hitting resistance at \$119.50 last week, again futures still discount to cash with only a few trading left until expiration. April Feeders tired a run higher early last week but trending lower since with support at \$136. May lean hogs still holding a higher trend since spiking lower early this month, now up over \$10 from those contract lows.

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Wheat hit the hardest on Friday with the forecasted rain holding for the Southern Plains. Soybeans and wheat hit the hardest for the week as well. It has been over a week without any additional daily soybean sales, but prices from Brazil are now premium to US values and could garner some attention this week. Corn was again a follower finishing lower but additional snow and cold temps continued last week as the planting season is already off to a slow start.

For the week, Friday April 13<sup>th</sup> through Friday April 20<sup>th</sup>, May Corn  $-\$.09 \frac{3}{4}$ , December  $-\$.08 \frac{1}{4}$ , May Soybeans  $-\$.25 \frac{1}{2}$ , November  $-\$.14 \frac{1}{2}$ , May KC Wheat  $-\$.13$ , July  $-\$.13$ , May Chicago Wheat  $-\$.09 \frac{1}{4}$ , July  $-\$.12$ , May MPLS Wheat  $-\$.17$ , September  $-\$.18 \frac{3}{4}$ , May Soybean Meal  $-\$8.70/T$ .

Grains rebound overnight with corn and soybeans 1 higher, wheat steady to 4 higher. Rains were light, less than inch in SW KS through the TX Panhandle. South Central KS and North Central OK received the most beneficial amounts at 1-2 inches.

AgRural estimating Brazil's first season Corn crop harvest at 77% complete with soybean harvest at 91%. US corn planting progress is expected to be at 8% complete, reported after the close today, compared to only 3% last week.

Over this next week, heavy rains continue in the Southeast,  $\frac{1}{2}$  inch expected in KS midweek with  $\frac{1}{2}$  to 1 inch for OK. The latest 6-10 day outlook showing above normal precipitation for the Southwest, below normal for the entire eastern half of U.S. Temperatures are forecasted below normal east and above normal west.

May corn finding support at  $\$3.76 \frac{1}{4}$  on Friday and overnight with the next level of support down at  $\$3.72$  and resistance up at  $\$3.83$ . May soybeans breaking support last week with the next down near  $\$10.10$  and resistance up at  $\$10.40$ . May KC wheat still holding a nearby higher trend with support at  $\$4.80$  and resistance at  $\$4.97$ . May Chicago wheat looks flat to sideways trading a dime range from  $\$4.70$  to  $\$4.80$ .

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