

Grain markets benefitted from a flurry of new information from the USDA's National Agricultural Statistics Service (NASS) on Friday (the full report is [here](#)). The survey of U.S. farmer intended plantings this year has been eagerly awaited, with the prospects for record-large soybean plantings and the precedent for soybean seedings to exceed corn for the first time ever. The results of the survey confirmed the former expectation but corn plantings are still expected to be slightly more than soybean acreage. Corn plantings were estimated to be at the low end of expectations, at 89.996 million acres, down from 94.004 million acres in 2016. Intended plantings of soybeans were pegged at 89.482 million acres, a 6 million acre increase from last year and above the high end of market expectations by 180,000 acres. Cotton plantings were up were up more than 2 million acres from a year ago, more than a 20% increase and dry edible bean plantings were up more than 10% (+200,000 acres). Expectations for hay harvested area are down about one percent.

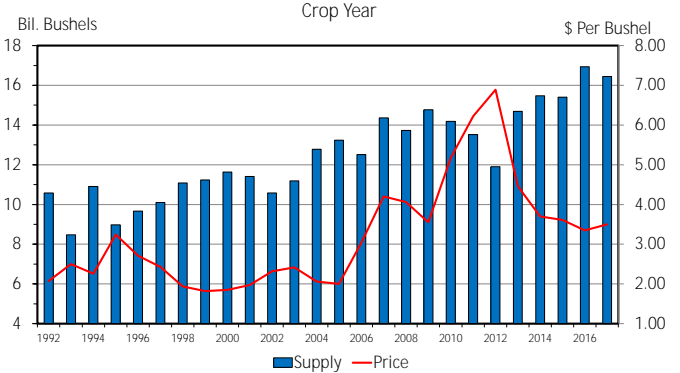
Even though the increase in soybean plantings was bigger than the decline in corn plantings, total acres planted to crops is expected to decline 2 million acres from last year. Notable declines were registered in Kansas, Missouri, the Dakotas, and Oklahoma. Most of these states are important wheat production states and the decline is consistent with depressed wheat prices during the last year and in some cases, drier than normal weather since last summer.

The crop planting intentions information was accompanied by the quarterly NASS grain inventories (stocks) as of March 1. From a livestock producer's perspective, corn is the most pertinent commodity and corn inventories as of March 1 were in line with expectations, increasing 10% from a year earlier. Three months earlier, inventories were up by the same percentage on the same basis of comparison, reflective of the record large harvest in the fall of 2016.

Based on the March 1 corn stocks and movement of corn to exports or domestic food and industrial (e.g. ethanol) industries, the implied amount of corn going to the livestock and poultry feeding market channels was up about 10% from a year ago during the just completed December-February quarter. This weakness in corn prices in primary livestock feeding regions of the U.S. during the last 90 days is consistent with the 10% increase in corn availability.

The effects of less corn plantings this coming spring, and therefore a smaller corn crop (assuming average per acre crop yields) should begin to have a bearing on corn prices in coming

US TOTAL CORN SUPPLY AND PRICE



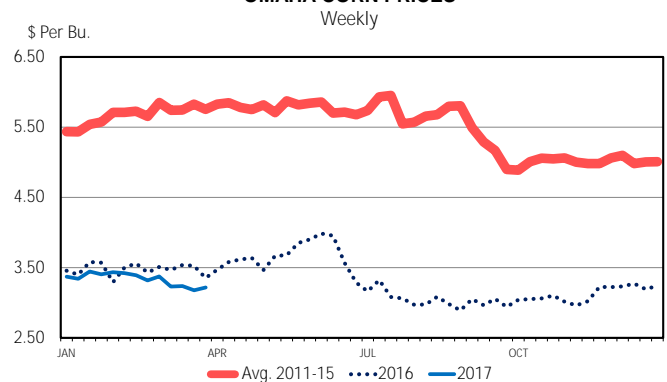
Data Source: USDA-NASS, Compiled & Forecasts by LMIC
Livestock Marketing Information Center

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weeks and months. The far-right bar in the chart above reflects the expected corn supply situation later this year and into 2018.

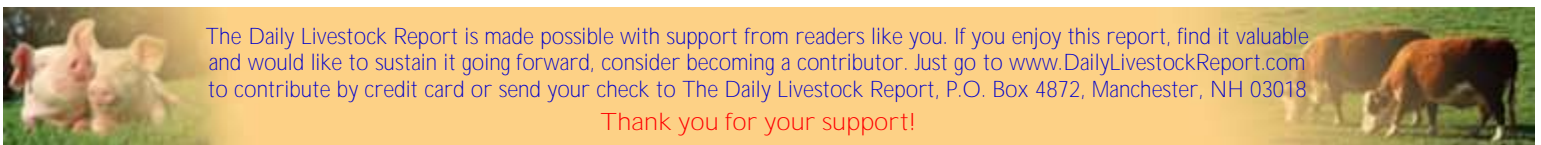
Cash corn prices were up 2-3 cents during the last week, which is impressive given that wheat prices were down 10 cents and soybean prices were down 25-30 cents. Corn prices should continue to trend higher similar to what was seen last year (see graph below) into planting season, albeit at lower values because of the larger stocks than a year earlier. After planting, the corn market will turn its attention to U.S. crop development and yield potential.

OMAHA CORN PRICES



Data Source: USDA-AMS
Livestock Marketing Information Center

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PRODUCTION & PRICE SUMMARY

Week Ending

4/1/2017

Source: Various USDA Agricultural Marketing Service (Market News) reports. Some data are preliminary.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		1-Apr-17	25-Mar-17		2-Apr-16			
Beef, Pork, Chicken, & Turkey	Mill Lbs., cwe	1,818	1,852	-1.9%	1,726	5.3%	22,848	2.1%
C FI Slaughter	Thou. Head	593	613	-3.3%	539	10.0%	7,606	6.0%
A FI Cow Slaughter **	Thou. Head	105	114	-8.5%	103	1.3%	1,234	3.2%
T Avg. Dressed Weight	Lbs.	819	820	-0.1%	830	-1.3%	820	-1.1%
T Beef Production	Million Lbs.	484.6	501.5	-3.4%	446.6	8.5%	6,239	4.9%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	127.88	130.91	-2.3%	133.83	-4.4%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	205.34	210.99	-2.7%	214.83	-4.4%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	147.76	146.82	0.6%	177.32	-16.7%		
& Choice Beef Cutout	\$ per cwt	217.15	223.12	-2.7%	222.46	-2.4%		
Hide/Offal	\$ per cwt, live wt	11.84	11.92	-0.7%	11.29	4.9%		
B Rib, Primal, Choice	\$ per cwt	337.35	341.71	-1.3%	351.21	-3.9%		
E Round, Primal, Choice	\$ per cwt	174.55	181.14	-3.6%	175.84	-0.7%		
E Chuck, Primal, Choice	\$ per cwt	163.61	166.03	-1.5%	159.82	2.4%		
F Trimmings, 50%, Fresh	\$ per cwt	103.43	106.86	-3.2%	90.95	13.7%		
Trimmings, 90%, Fresh	\$ per cwt	217.63	217.25	0.2%	218.20	-0.3%		
FI Slaughter	Thou. Head	2,343	2,313	1.3%	2,184	7.3%	30,103	1.6%
H FI Sow Slaughter **	Thou. Head	58.5	58.3	0.2%	56.2	4.0%	630	0.3%
O Avg. Dressed Weight	Lbs.	212.0	212.0	0.0%	214.0	-0.9%	213	-0.3%
G Pork Production	Million Lbs.	497.5	491.2	1.3%	466.9	6.6%	6,399	1.3%
S Iowa-S. Minn. Direct	Wtd. Avg.	62.92	66.08	-4.8%	63.34	-0.7%		
& Natl. Base Carcass Price	Wtd. Avg.	66.95	68.50	-2.3%	64.36	4.0%		
Natl. Net Carcass Price	Wtd. Avg.	69.31	70.96	-2.3%	66.67	4.0%		
P Pork Cutout	\$ per cwt	76.71	79.49	-3.5%	76.50	0.3%		
O By-product Value	\$ per cwt, live wt	3.98	3.98	0.0%	3.48	14.4%		
O Ham, Primal	\$ per cwt	56.78	60.16	-5.6%	52.55	8.0%		
R Loin, Primal	\$ per cwt	75.80	79.17	-4.3%	77.98	-2.8%		
K Belly, Primal	\$ per cwt	130.68	133.81	-2.3%	128.54	1.7%		
Trimmings, 72%, Fresh	\$ per cwt	66.46	68.56	-3.1%	57.70	15.2%		
C Young Chicken Slaughter *	Million Head	158.4	162.3	-2.4%	153.97	2.9%	1,916	1.1%
H Avg. Weight (RTC)	Lbs.	4.62	4.59	0.7%	4.70	-1.6%	4.66	-0.5%
I Young Chicken Production (RTC)	Million Lbs.	731.9	744.9	-1.7%	723.1	1.2%	8,937	0.6%
C Eggs Set (19-state)	Million	212.3	214.0	-0.8%	207.4	2.4%	2,546	1.8%
K Chicks Placed (19-state)	Million Head	174.9	174.0	0.5%	171.5	2.0%	2,070	1.3%
E National Composite Whole Bird	Composite	98.57	98.57	0.0%	86.19	14.4%		
N Northeast Breast, B/S	\$ per cwt	128.24	127.43	0.6%	117.56	9.1%		
Northeast Leg Quarters	\$ per cwt	38.08	38.65	-1.5%	32.2	18.3%		
T Total Turkey Slaughter *	Million Head	4.10	4.51	-9.1%	3.67	11.8%	49.5	0.3%
U Avg. Weight (RTC)	Lbs.	25.26	25.36	-0.4%	24.26	4.1%	25.74	2.2%
R Turkey Production (RTC)	Million Lbs.	103.5	114.3	-9.5%	88.9	16.4%	1,273	2.5%
K National Hen (8-12 Lbs)	\$ per cwt	100.40	102.07	-1.6%	115.00	-12.7%		
G Corn, Omaha	\$ per Bushel	3.22	3.18	1.3%	3.35	-4.0%		
R Distillers Grain, Chicago	\$ per Ton	102.50	NQ	N/A	NQ	N/A		
A Wheat, Kansas City (delivered)	\$ per Bushel	4.59	4.59	0.0%	NQ	N/A		
I Soybean, Cntrl IL	\$ per Bushel	9.50	9.77	-2.8%	9.10	4.4%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	305.90	315.20	-3.0%	276.80	10.5%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of "actual" rather than "preliminary" weekly slaughter report).

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