



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, LaVell Winsor
866 341 6700**

www.loewenassociates.com

Date: 05.22.2014

Morning Ag Markets

Pete Loewen

Feeder cattle futures continued the rise yesterday, but the live market finished lower, responding to a very reluctant packer bid in the country that was lower than last week. Hogs on the other hand posted very strong gains, rising in the triple digits on most contracts.

In the negotiated cash feedlot trade this week it appears the majority of the Southern Plains business will get done today or tomorrow, but there was some northern trade and a light trade and Kansas yesterday. The Nebraska action was at \$145 live with a few at \$146. Dressed business was \$232-\$233, which is \$2-\$3 lower than last week. The live trade is \$2 lower from the top end of last week's trade. The light test in Kansas was at \$144, which is \$1 lower than a week ago, but I don't know if there was enough numbers to consider it the trend that will be carried into the rest of the action.

Cattle slg. ___ 117,000 unch wa -9k ya

Choice Cutout ___ 231.16 +.93

Select Cutout ___ 220.09 +1.06

Feeder Index: ___ 187.93 +.05

Lean Index. ___ 111.49 -.19

Pork cutout ___ 114.92 -1.79

IA-S.MN direct avg ___ 109.64 -1.68

Hog slg. ___ 406,000 -5k wa -6k y

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.**

In grains, the wheat market action sunk mildly once again, despite the fact wheat conditions took another nosedive in the Monday afternoon crop condition numbers. Corn futures closed with mixed to mostly higher quotes, but most were only fractionally changed. The interesting side of the market action yesterday though was the fact soybean futures exploded higher, marking 30+ cent gains on the front end and 20+ everywhere else, yet corn didn't catch much spillover and wheat caught none whatsoever. Granted, the current forecast has some excellent rain chances across a good portion of the HRW wheat belt. I'll argue though that for a lot of that crop the rains will be coming too little and too late to add much production to the ailing crop. It may peg some yields from continuing to slip, but there has already been a considerable amount of damage in too many areas to salvage a decent crop overall. It's going to be poor. Regardless, the trade mentality has been stuck on rain makes grain since the 6-10's switched last week to wet.

Weekly export sales numbers that came out this morning have a big bullish surprise for the soybeans, but poor numbers for corn and wheat. Old crop wheat sales were 5.2 mln bushels with another 7.7 mln new crop to add to the book. Old crop corn sales were 20 mln with 2.5 new crop.

The highlight of the futures trade over the last two days has been the bean market and the highlight of the export sales numbers today were definitely the bean market as well with 6 mln in old crop sales. With this kind of pace, I don't see any way that USDA will be able to keep the current export projection in place, they'll have to raise it and especially with only 83.6 mln of the 1.648 bln in commitments yet to be loaded for shipment. It is highly unlikely 100% of those could be cancelled or rolled.

6-10 day forecasts last night were showing above normal temps for most of the country, but still above normal precip as well, even for the central, high plains AND southern plains areas.

Pete Loewen

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor

www.loewenassociates.com

peteloewen@cox.net

866 341 6700

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.**