



Loewen and Associates

Commodity Consulting/Brokerage

Pete Loewen, Matt Hines

Doug Biswell, LaVell Winsor

866 341 6700

www.loewenassociates.com

Date: 5.19.14

Morning Ag Markets

Matt Hines

Grains were mixed to end the week, with cattle futures higher and hogs lower. Cattle on feed as of May 1st were right in line with pre report estimates at 99% as were marketings at 98%. Placements though should provide some early support this week coming it at 95% compared to the average guess at 97%. All states were lower expect South Dakota up 8%. According to the placement weight breakdown, only light feeders exceeded last year...under 600 pounds up 4%, 600-699 pounds down 6%, 700-799 pounds down 10% and 800 pounds plus down 6%.

Cash feedlot trade was fairly light last week. In the South \$145 live was the average traded value and in the North mostly \$234-\$235 on a dressed basis both steady to \$1 lower compared to a week ago.

Feeders are still seen positive with August holding above the \$190 level but volatility is increasing and every spike up has been met with some heavy selling.

For the week, June fats -.15, August +.17, May feeders +2.72, August +1.95, June hogs -1.25 and July +.70

Cattle slaughter from Friday estimated at 111,000 head, down 1,000 from week ago and down 14,000 from a year ago. For the week, 591,000 head compared to 600,000 a week ago and 654,000 a year ago. Year to date percentage difference out to 6.2% less.

Choice Cutout__225.98 +.77

Select Cutout__216.71 +1.24

Feeder Index:___184.25 +.17

IMPORTANT—PLEASE NOTE

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.**

Hog slaughter from Friday estimated at 345,000 head, down 29,000 from a week ago and down 46,000 from a year ago. For the week 1,999,000 hogs down 17,000 from a week ago and down 38,000 from a year ago. Year to date difference at 4.1% less.

Lean Index. __112.30 -.43
Pork carcass cutout __114.19 +.96
IA-S.MN direct avg __108.96 -.92

Calls this morning are 20 to 1.00 higher for cattle futures and mixed for hogs. Cash calls are steady to \$2 lower for both. Activity this week heading into Memorial Day weekend could be very slow with retailers loaded up and we shall see if packers will again only be around for light volume and/or reduce chainspeeds.

Moving on to the grains,

Grains chopped around on Friday, wheat had its 5th consecutive lower day in a row. Soybean imports continue to gather attention and new crop sales are building. Thursday it was announced that China booked 120,000 MT of new crop US soybeans followed up by Friday's announcement of 180,000 MT of new crop sold for unknown destinations.

Egypt picked up 1 cargo of wheat from Ukraine last Friday as no offers were even out there from the US. Prices are come down some \$.50 to \$.80 from their highs but still too high compared to other exporting countries. Wheat is currently in a massive liquidation mode and all signs are still pointing lower.

For the week July Corn -24, December -17 ¾, July Soybeans -22, November Soybeans -4 ¾, July KC Wheat -61 and July Chicago Wheat -48 ¼

Overnight corn finished 2 to 3 lower, July soybeans -2 with November up 4 and wheat down 1 to 5 in all 3 pits.

News overnight was quiet. The markets will be watching for changes in weather forecasts and updates on conditions and progress as we move through this week.

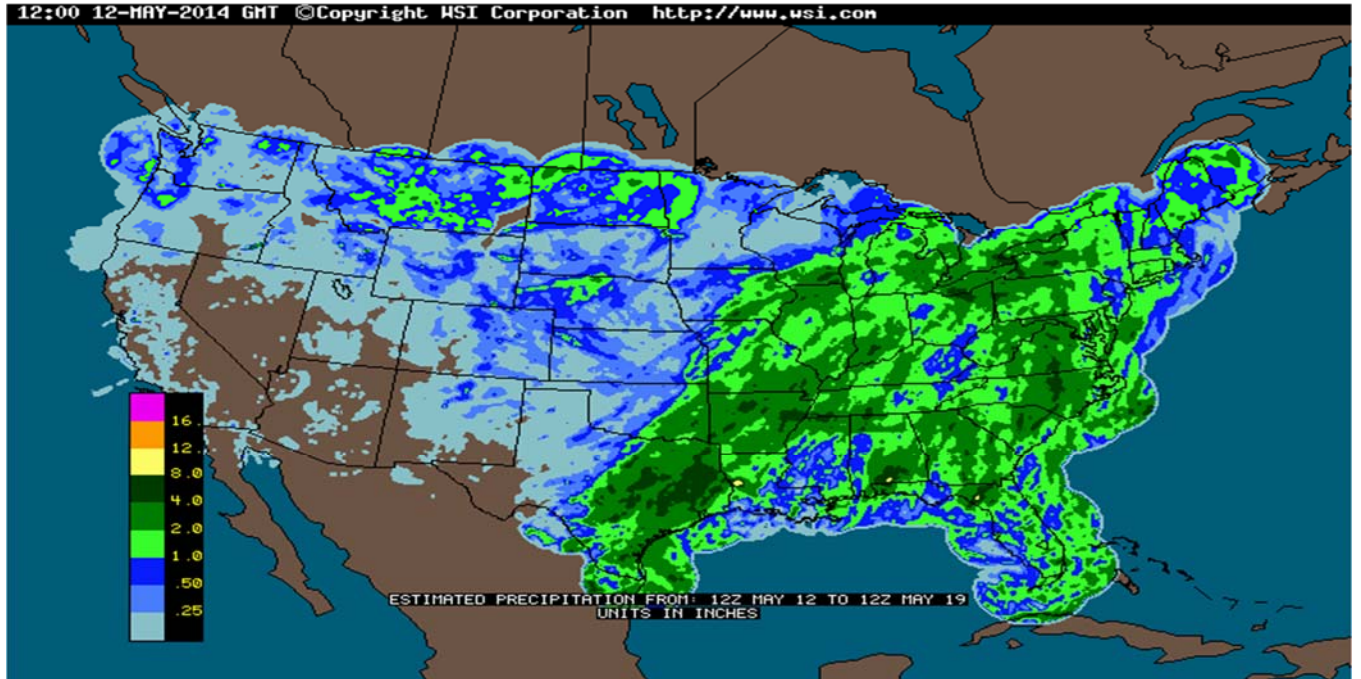
IMPORTANT—PLEASE NOTE

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.**

Planting progress will be reported after the close today and is expected to be near 75% for corn and 35% for soybeans. Last year we hit 71% planted on corn and 24% for soybeans with the 5 year averages at 79% and 42% respectively.

Russian President Putin has reportedly ordered troops to back off from the Ukrainian border but as of yet there has not been any such movement.

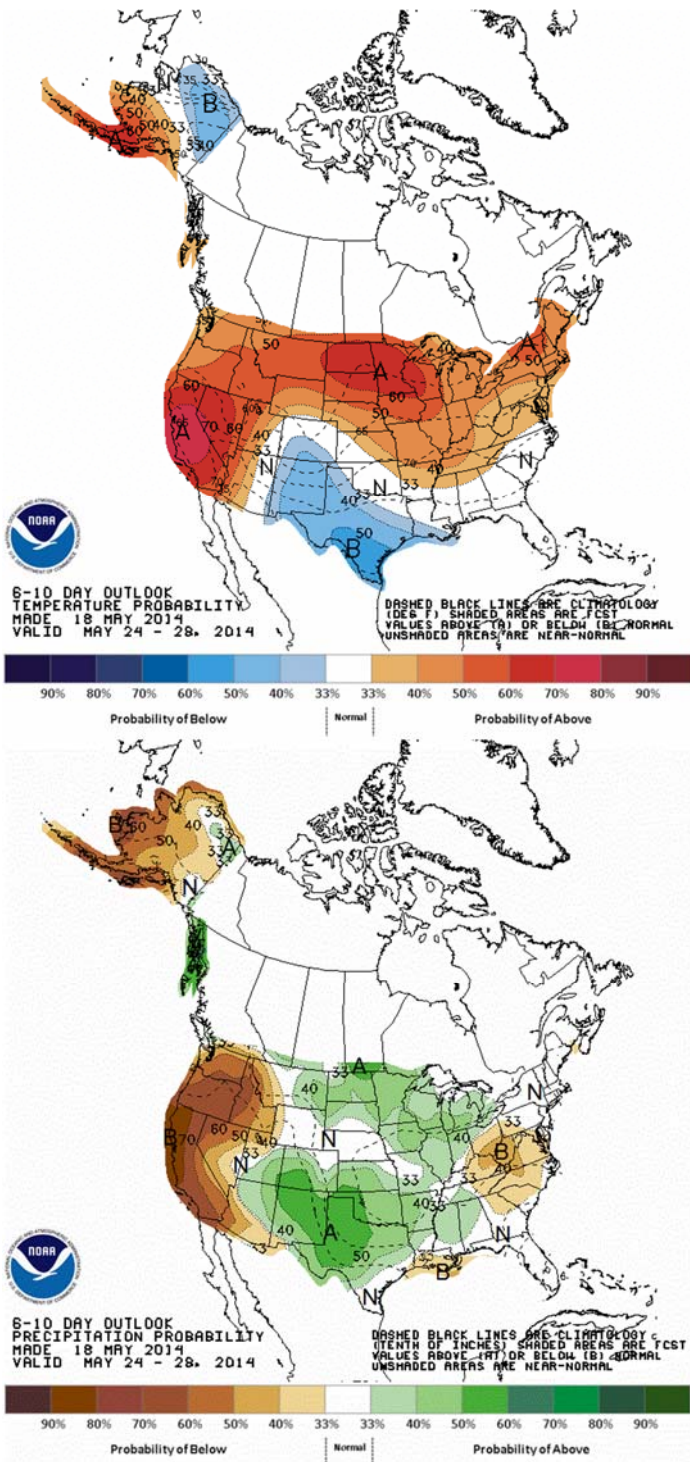
Last week's rains blanketed the Eastern half of the US.



This week's weather looks to finally warm up and stay there with a few rounds of rains moving through. The 6-10 day maps showing normal to above normal temps and precip.

IMPORTANT—PLEASE NOTE

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.**



Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor

www.loewenassociates.com

peteloewen@cox.net

matthines1@cox.net

866-341-6700

IMPORTANT—PLEASE NOTE

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.**