



Loewen and Associates, Inc.
Commodity Consulting/Brokerage
Pete Loewen, Matt Hines,
Doug Biswell, LaVell Winsor
866 341 6700
www.loewenassociates.com

Date: 06.10.2014

Morning Ag Markets

Pete Loewen

Feeder cattle futures exploded higher again with numerous contract months closing up the limit of \$3.00. The front four contract months all traded up over \$203 at their highs and closed there as well. Live cattle caught good spillover support with triple digits to the upside common, although only one contract settled higher than \$2.00 better. With a super strong undertone noted in the cash feeder trade and also last week's \$1.00 higher feedlot action, reasoning for the big up move Monday wasn't hard to come by.

Cattle slg. ___ 113,000 unch wa -9k ya

Choice Cutout ___ 231.93 +1.07

Select Cutout ___ 221.69 +.88

Feeder Index: ___ 195.71 +.10

Lean Index. ___ 111.23 +.25

Pork cutout ___ 121.45 +.85

IA-S.MN direct avg ___ 113.50 +3.34

Hog slg. ___ 361,000 -18k wa -32k ya

The overnight action in feeders showed two contract months up over \$205, two up over \$204 and a fifth contract (the January) that finally touched the \$200

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.**

mark as well. The early trade this morning was well off the highs with mostly lower quotes showing.

Moving on to the grains, news broke overnight Sunday that China had put a halt to all DDG imports, which pressured both the corn and meal markets. Adding to the pressure was the fact Corn Belt weather was looking ideal for crop development. That, along with the rains across Plains wheat country led to solid lower closes across the corn and wheat markets.

Crop progress and condition numbers were bearish for corn and soybeans yesterday afternoon with 75% of the corn crop rated g/ex and 74% of the beans rated g/ex. That was the first condition rating of the year for beans and a good start obviously. 87% of the soybean crop was planted, up 9 points from the previous week and 6% ahead of the normal pace. Notably, Illinois and Iowa were way ahead of normal planting pace in beans and Minnesota was 3 points behind their normal pace. Corn planting for all intents and purposes is wrapped up everywhere aside from a few likely stragglers. The emergence data showed 92% of the crop was up, which compares to 90% on average and only 83% a year ago. Emergence in beans was 71%, which is 9 percentage points ahead of normal.

Spring wheat planting jumped to 95% complete which is 2 points ahead of normal. A lot of that crop has been slammed in the ground over the last two weeks, as noted by the fact we're 2 points ahead in planting, yet 2 points behind in emergence at 80%.

Winter wheat condition ratings were unchanged nationwide with 30% of the crop rated g/ex and 44% p/vp, leaving 26% in the fair category. Harvest progress in HRW wheat country had Oklahoma at 26% complete and Texas at 30%. Both of those numbers are slightly behind normal pace. Kansas was listed at 0% compared to 10% normally. The progress would have at least been started had we not had the moisture over the last week.

Tomorrow morning we get the June monthly S&D's and crop production data from USDA. At the end of this month is the BIG report which is quarterly stocks and final planting data. Tomorrow's numbers could be market movers as well. Estimates for new crop corn and soybean ending stocks are showing a slight increase in corn and a slight decrease in beans. Production guesses are unchanged in corn, but slightly lower in beans, which means there are a few out

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.**

there that believe USDA will change yield data slightly in this report. That's not a very common occurrence for a June report.

Old crop bean stocks are expected to drop slightly to 127 mln and corn increase slightly to 1.157 bln. Old crop wheat stocks are projected slightly higher as well.

One other big number in the report will come with the winter wheat crop production update. HRW wheat numbers are expected to drop slightly from May and SRW wheat increase slightly. The overall average guess on production for all wheat is pegged at 1.959 bln, which would be down 4 mln from last month and 171 mln lower than a year ago.

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.**