



Loewen and Associates

Commodity Consulting/Brokerage

Pete Loewen, Matt Hines

Doug Biswell, LaVell Winsor

866 341 6700

www.loewenassociates.com

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Morning Ag Markets

Matt Hines

Packers have opened with bids in Kansas at \$142 live hoping to get back some of the premium they feel they had to pay last week, but no cash feedlot trade yet with most asking prices still at \$147. The only cash trade to report so far was Monday's 120 head in Iowa at \$146 live.

After limit up trade in the feeder pit Monday, yesterday morning started out lower but tuned North by midday with futures heading up triple digits yet again and clearing \$205. Cash markets continue to rally as well with auctions reported \$3-\$5 so far this week.

Hogs finished mixed yesterday even with a decent rally in cash prices and supporting fundamentals. Weights continue to come in heavy offsetting the lower kill numbers.

Cattle slaughter from Tuesday estimated at 117,000 head, down 1,000 from a week ago and down 8,000 from a year ago. Week to date at 230,000 compared to 247,000 a year ago.

Boxed beef cutouts higher on moderate to fairly good demand

Choice Cutout__232.51 +.58

Select Cutout__223.35 +.66

Feeder Index:__196.09 +.38

Hog slaughter from Tuesday estimated at 410,000 head, same as last Tuesday and up 6,000 from a year ago. Week to date at 771,000 compared to 797,000 a year ago.

Lean Index. 111.54 +.31

Pork carcass cutout 122.31 +.86

IA-S.MN direct avg 114.72 +1.22

National average cash 114.26 +4.14

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Moving onto the grains...

Corn and wheat were under pressure again yesterday while traders in the soybean pit kept futures in the green. Corn futures started the day with some strength but that eroded as the day continued. Ideal weather being the main pressure point but also continued pressure from the announcement by China to stop importing US DDGs. There has now been talk that the Chinese government is requiring buyers to remove over 250,000 MT already at ports. China has been importing over 500,000 MT per month this year. DDG values have dropped \$15-\$20/T already.

Overnight grains finished mixed with corn steady to up 1, soybeans steady to down 4, and wheat up 1 to 4 in all 3 pits.

Markets should remain calm before the USDA Crop Production and Supply/Demand report to be released at 11 am today. US and World ending stocks both for old crop and new will be updated today along with winter wheat production. World wheat estimates from USDA will be watched closely as dryness persists in Australia, Russia and Kazakhstan and all three have lowered their expected production levels already.

U.S Winter Wheat Production (Billion Bushels)					
	USDA	Private Estimates		USDA Estimates	
	June 14	Average	Range	May 14	Final 2013
All Winter		1.394	1.33 - 1.445	1.403	1.534
Hard Red		0.733	.661 - .776	0.746	0.744
Soft Red		0.455	.443 - .473	0.447	0.565
White		0.207	.197 - .217	0.209	0.225
All Wheat		1.964	1.903 - 2.041	1.963	2.130

U.S. Ending Stocks 2013/2014 (Billion Bushels)					
	USDA	Private Estimates		USDA Estimates	
	June 14	Average	Range	May 14	Final 2013
Corn		1.170	1.121 - 1.279	1.146	0.821
Soybeans		0.127	.119 - .139	0.130	0.141
Wheat		0.590	.565 - .625	0.583	0.718

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U.S. Ending Stocks 2014/2015 (Billion Bushels)					
	USDA	Private Estimates		USDA	
	June 14	Average	Range	May 14	
Corn		1.716	1.405 - 2.282	1.726	
Soybeans		0.319	.245 - .364	0.330	
Wheat		0.552	.475 - .658	0.540	

World End Stocks 13/14 (Million Metric Tons)					
	USDA	Private Estimates		USDA Estimates	
	June 14	Average	Range	May 14	Final 2013
Corn		168.35	167.5 - 169.12	168.42	138.19
Soybeans		66.43	65.0 - 67.5	66.98	57.04
Wheat		186.15	181.55 - 188.0	186.53	175.33

World End Stocks 14/15 (Million Metric Tons)				
	USDA	Private Estimates		USDA
	June 14	Average	Range	May 14
Corn		181.52	175.21 - 184.5	181.73
Soybeans		81.97	80.0 - 83.13	82.23
Wheat		187.00	180.9 - 190.0	187.42

Other news is light from overnight. Japan received no offers for its latest tenders of 200,00 MT of feed barley and 100,000 MT of feed wheat. They announced new tenders with an offer deadline of June 18th for the same quantity, to be delivered in November.

There looks to be a few more rounds of rain forecasted here this week and into the weekend for the central plains and Midwest for up to another 2 inches total. The 6-10 day forecast is normal to above normal for both temps and precip as well.

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor

www.loewenassociates.com

peteloewen@cox.net

matthines1@cox.net

866-341-6700

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