



Loewen and Associates

Commodity Consulting/Brokerage

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

www.loewenassociates.com

Date: 6.4.14

Morning Ag Markets **Matt Hines**

Livestock futures were higher yesterday with some triple digit gainers. Hogs finished mixed but higher nearby. At one point all the talk centered about tight supplies come the third quarter and hog contracts out through October were among the triple digit gainers.

We have a new all-time high for feeders yet again with October hitting 199.50 during the day yesterday. But as the day proceeded no additional volume was out there and all contracts came off their highs.

Cash feedlot trade for the week is still quiet so far with packers opening bids at \$141 in Kansas compared to asking prices still near \$145.

Cattle slaughter from Tuesday estimated at 118,000 head, down 1,000 from a week ago and down 8,000 from a year ago. Week to date at 231,000 compared to 251,000 a year ago.

Choice Cutout__232.66 +.23

Select Cutout__223.85 +2.37

Feeder Index:__194.49 +.62

Hog slaughter from Tuesday estimated at 410,000 head, down 8,000 from last week and up 3,000 from a year ago. Week to date at 789,000 compared to 806,000 a year ago.

Lean Index.__110.34 -.12

Pork carcass cutout__118.78 +.54

IA-S.MN direct average cash__109.05 +.06

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.**

Moving onto the grains...

Grains were down fairly hard on Tuesday right off the bat from continued good weather for the fall crops now reflected in the crop conditions. Our first national corn conditions came out with only 2% rated poor, none in the very poor category and an extremely high 76% good to excellent rating. Last year's crop started at 63% good to excellent nationwide. Corn volume was estimated to be the highest we have seen in over a month. Wheat continued its liquidation mode with KC now down almost \$1.50 since early May and Chicago down \$1.30. Scary to think about this but even with these price declines, Black Sea wheat is still some \$.20/BU cheaper than U.S. In the soybean pits traders went from bull spreading Monday to massive bear spreading pressuring the front months.

Overnight grains were all higher with soybeans leading the charge. July finished 9 ½ higher with November up 3 ¼. Corn was up 1 ¼ to 1 ¾. Wheat 3 to 5 higher in Minneapolis and Chicago with the KC HRW contracts 5 to 9 higher.

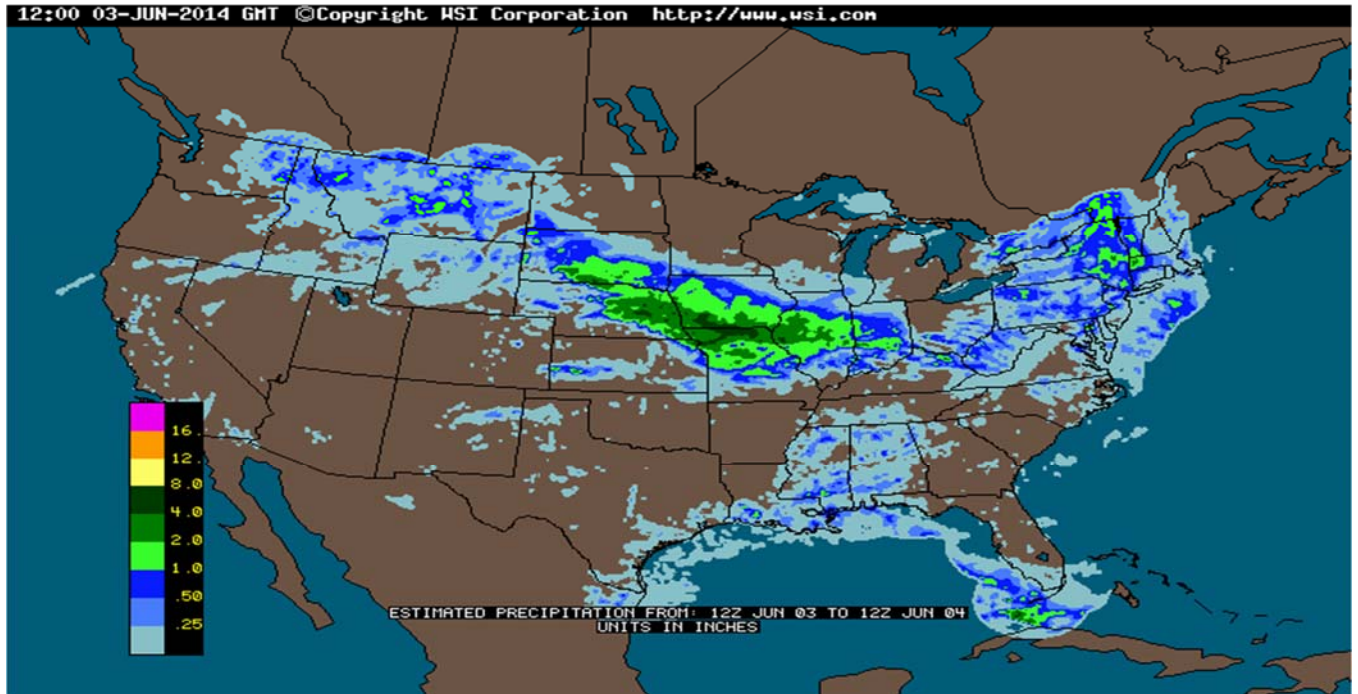
News overnight was very light. The crop scouting this morning in Nebraska and Iowa I am sure will hit the social media outlets like crazy with massive amounts of hail and wind reported last night. This could be our first weather related rally but forecasts call for normal to below normal precipitation and still beneficial rains at least for most.

With the lack of breaking news I wanted to spend some time talking about DP contracts or deferred pricing. Commercials are starting to offer if not already hammering the phones with what they like to call a "great deal for the producer". DP contracts are not such a great deal. The free storage piece is enticing and if you have concerns about the condition of your grain on the farm, then by all means move it, but please take a look at the markets before signing over that ownership without a price established. When cash grain gets tight, or commercials are needing to purchase more they would rather use this contract and lay the price risk still your laps rather than actually push basis to bring the grain in. The market is inverted for both corn and beans right now, nearby contracts are higher than deferred. The market is telling you please bring in the grain, we want it now and will not pay you to carry it. So why store it or leave the price open, if you are still bullish, buy the board, buy a call, owning the paper is cheaper than owning the physical product.

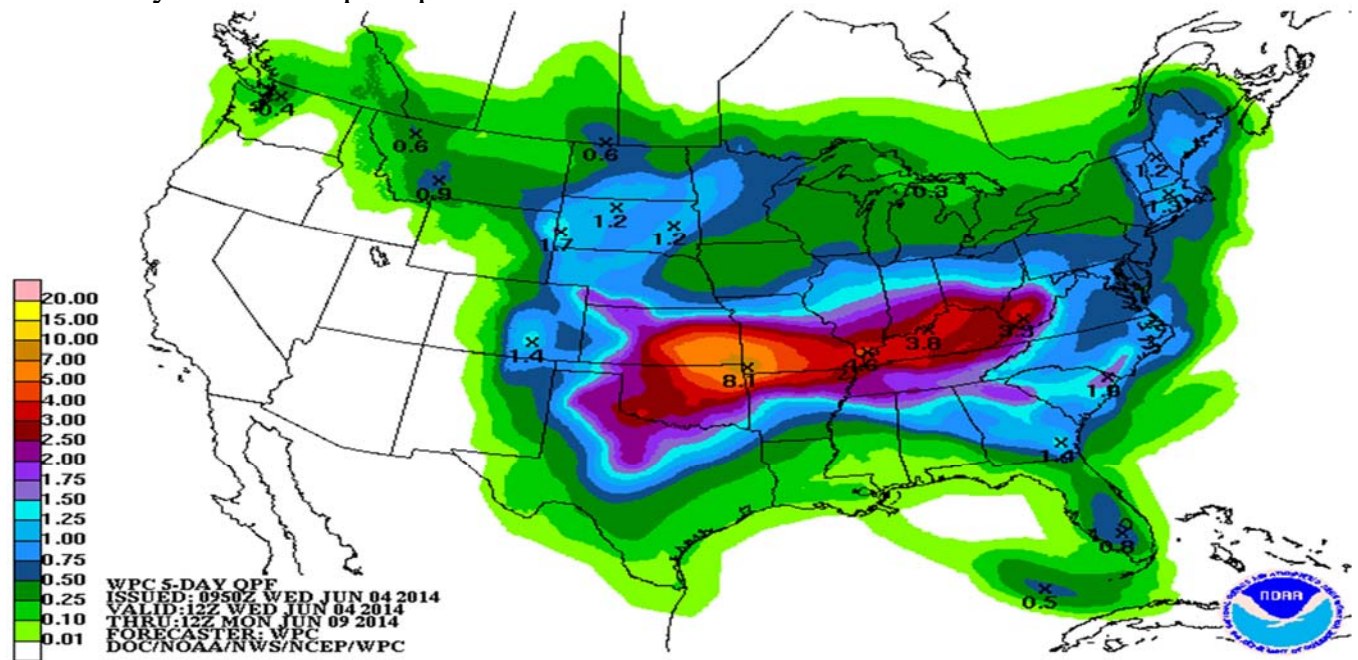
IMPORTANT—PLEASE NOTE

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.**

Past 24 hours estimated rainfall



Next 5 day forecasted precipitation



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.**