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

Date: 6.9.14

Morning Ag Markets

Matt Hines

Cash feedlot trade held out until late Friday as packers had to finally give in and pay up. KS trade was reported at $145 live, up $2 from last week with trade in NE steady to $1 higher at $146 live and $232 dressed. Feeders broke the $200 mark this past week and 2 contracts pushed north of $201 for highs on Friday. Hogs were the winner in pits with contracts triple digits higher supported by processors pushing cash higher to end to the week along with decent product gains.

For the week June Fats +2.32, August Feeders +3.47, June Hogs +1.22

Cattle slaughter from Friday estimated at 117,000 head, down 1,000 from week ago and down 7,000 from a year ago. For the week, 614,000 head compared to last week's holiday shortened run at 537,000 and last year's 648,000. Year to date percentage difference out to 6.3% less.

Choice Cutout__230.86 -.13
Select Cutout___220.81 -1.08
Feeder Index:___195.61 +.59

Hog slaughter from Friday estimated at 319,000 head, down 94,000 from a week ago and down 77,000 from a year ago. For the week 1,930,000 hogs up 180,000 from a week ago, again holiday shortened run a week ago, down 76,000 from a year ago. Year to date difference out to at 4.2% less.

Lean Index.__110.98 +.20
Pork carcass cutout___120.60 +2.39
IA-S.MN direct avg__110.16 -1.15

Calls this morning are 25 to 50 higher for cattle futures and mixed for hogs. Cash calls are steady for both. Cattle futures should be supported today from spillover buying to end last week. Today is first notice day for the June live contract, not that we should see any deliveries with cash some $5+ premium right now, but some like to think it will indicate prices for mid to late June.

****

Moving on to the grains,

Buyers stormed the corn and wheat pits Friday's and finally prices had a little bounce instead of continued liquidation. In the soybean pits, last week's trading was mostly spread related with some adding bull spreads early, then liquidating or rolling by the end of the week. Old crop premiums are still keeping the entire complex at lofty price levels trying to squeeze out the last remaining bushels in storage for domestic crushers to keep running this summer. From what I hear most have enough to get through June and portions of July but not much further as of yet. Ideal weather for fall crops is the still the main market maker and providing pressure across the entire grain complex.

For the week, July Corn -6 ¾, Dec + ¼, July Beans -36 ¼, Nov -15, July KC +12 ½, Sept KC Wheat +9 ½, July Chicago Wheat -9 and Sept -9 ½

Overnight corn was under pressure finishing 5 to 7 lower, July soybeans -2 ½ with November up 3 ¾ and wheat finished mixed, steady to higher for the KC HRW contracts but 1 to 3 lower for Chicago SRW.

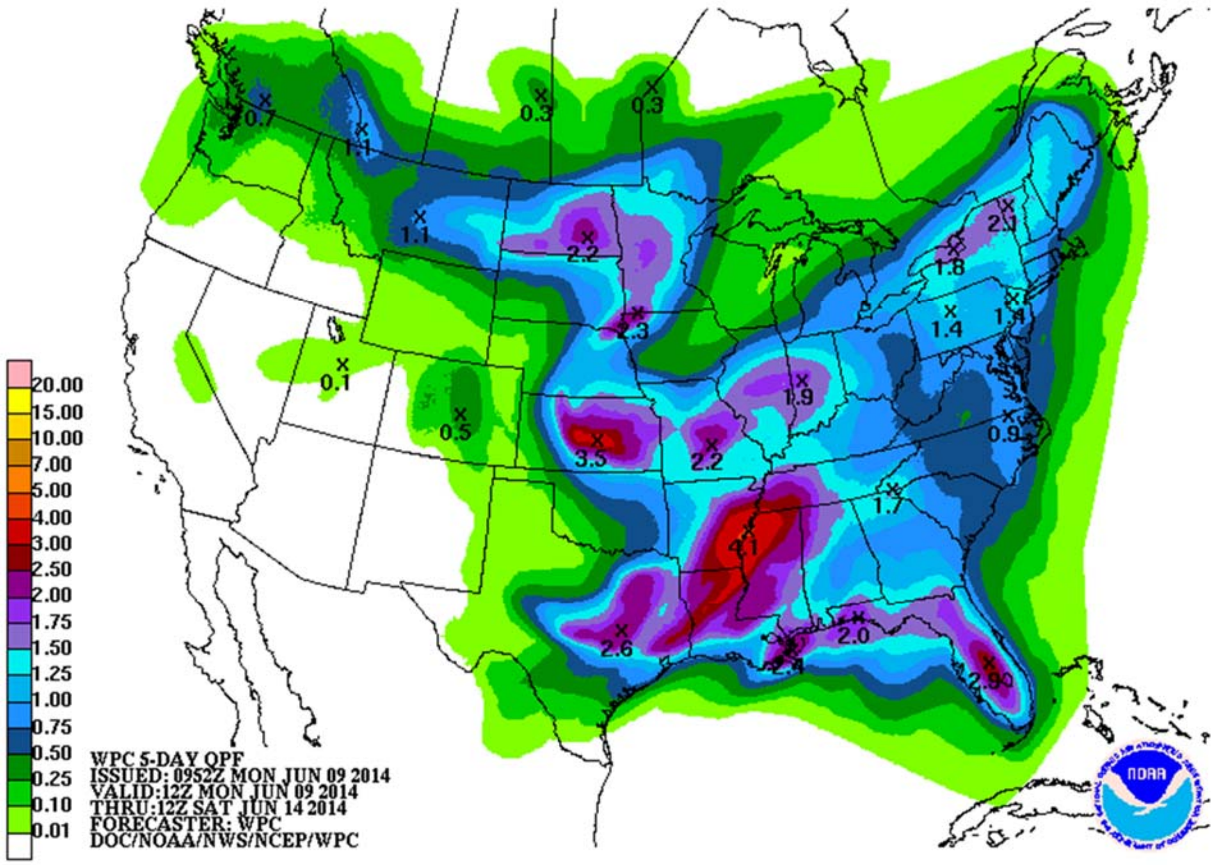
China has stopped issuing import permits for US DDGs and have asked traders to export any that have already been rejected. This could total up to 250,000 MT stored at ports currently. They are using the unapproved GMO contamination ploy again as they did for US Corn this past winter. So it appears China is full of DDG after having a record year of imports.

Crop progress and conditions will be reported after the close today and most expect corn conditions to improve from an already excellent start, 76% good to excellent last week the best since 2010. Wheat conditions could also show some improvement. What will be looked at closely is the progress up North and East with a few states still behind.

Wednesday we will get an update from USDA on old and new crop supply and demand. Ending stocks for this current old crop are estimated to be a little higher for corn, steady for wheat and soybeans. With the corn crop off to such a great start we will see if USDA will increase yield predictions for new crop yet.

The 6-10 day weather maps are showing normal to above normal temps for all expect the extreme North and PNW along with Normal to above normal precipitation central and East with below normal forecasted for the western third of the U.S.

This week's forecasted rain…



Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor

www.loewenassociates.com

peteloewen@cox.net

matthines1@cox.net

866-341-6700