



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

**Pete Loewen, Matt Hines**

**Doug Biswell, LaVell Winsor**

**866 341 6700**

**www.loewenassociates.com**

Date: 7.21.14

### **Morning Ag Markets**

**Matt Hines**

Livestock futures finished mixed on Friday with live cattle higher, feeders steady and hogs lower. For the week August Fats up \$2.50, August Feeders up \$1.27 and August Lean Hogs down \$1.60. Cash feedlot trade kicked off midweek with packers holding prices lower than last week. In the South we traded \$1.00 lower at \$155 to \$156 live. Nebraska dressed sales were \$1.00 as well with mostly \$246 and some up to \$248. Slaughter cattle on a national basis for negotiated cash trades through Friday morning totaled about 106,060 head compared to the previous week's total head count at 113,391 head. There were quite a few basis trades at +\$7 to +\$9 the August board which are not figured into the negotiated cash average.

The numbers I am still looking at are closes above \$152 in August live, \$155 in October live, and \$214 in August feeders. Closes above these levels would open the door for another run at last week's highs of \$156 in August live, \$158 in October live, and \$219 in August feeders. If not we are likely to sit around these price levels and chop back and forth.

This Friday we get monthly Cattle On Feed numbers out from USDA. The following are the ranges/average trade guesses compared to last year:

Cattle on Feed as of July 1st at 97.6% - 99.2%

June Placements at 91.9% - 103.5%

June Marketings at 96.4% - 98.2%

Cattle slaughter from Friday estimated at 114,000 head, up 3,000 from a week ago but down 8,000 from a year ago. For the week, 577,000 head, up 1,000 from the week previous but down 76,000 from a year ago. Our year to date difference now at 6.8% less.

#### **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.**

Boxed beef cutouts lower again on light demand

Choice Cutout\_\_248.45 -1.36

Select Cutout\_\_\_242.65 -1.59

Feeder Index:\_\_\_214.48 +.37

Hog slaughter from Friday estimated at 282,000, up 7,000 from a week ago but down 114,000 from a year ago. For the week, 1,833,000 head, down 26,000 from the week previous and down 179,000 from a year ago. Year to date difference out to 4.7% less now.

Lean Index.\_\_\_133.78 -.39

Pork carcass cutout\_\_\_137.56 +.47

IA-S.MN direct avg\_\_127.65 -.22

Opening calls this morning are mixed for both cattle and hog futures, hogs let's say steady to lower. Beef demand still a concern and will keep pressure on these markets as cutouts have lost \$3 to \$4 last week even with slowing chainspeeds. Support keeps coming from cash trade remaining steady and calves and feeders steady to higher.

\*\*\*\*\*

Moving on to the grains,

This past week was led by the sellers once again with weather that continues to favor fall crop development. For the week September Corn down \$.07, December down \$.0625, August Soybeans down \$.19, November up \$.1025, September KC Wheat down \$.025 and September Chicago Wheat up \$.0625.

Following a bearish July supply and demand report, last Monday's crop conditions showing 76% of the nation's corn crop rated good to excellent and 72% of the soybean crop helped further pressure the grains.

The only bullish news this past week came from additional soybean sales and a spike higher in grains Thursday that couldn't hold from the Malaysian passenger plane going down or I should say shot down over Ukraine. On Wednesday, 120,000 MT of old crop soybeans were sold to China, yes I said old crop. In addition to that, 240,000 MT of new crop soybeans and over 210,000 MT of new crop corn sold for unknown destinations. On Friday, China purchased another 116,000 MT of new crop soybeans from the U.S. and 464,000 MT of new crop soybeans were sold to unknown destinations, assumed to be for China as well.

#### 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.**

In Argentina, strikes from inspectors, port workers and truckers has frozen all export activity. Port workers ended their strike Friday and will meet with the government today for negotiations. If no solution is found the union will meet tonight to decide their next action.

Overnight grains gapped lower and continued to sink. Soybeans were down the hardest with nearby down 4 ½ and new crop down 13 to 14. Corn finished 6 lower and wheat was 1 to 5 lower in all three pits.

Gulf bids have been on the rise with the recent burst of export activity. Old crop corn basis is up a dime with new crop up 2 and old crop soybeans are up 3 with new crop up 7. Freight still remains the problem as railcars are limited and offered extremely high and even barge freight has come up some 30+ cents this past week.

Just announced this morning, more soybean sales...120,000 MT of old crop to China and 135,000 MT new crop meal for unknown destinations.

This week's markets will continue to focus on weather which is heating up with minimal moisture forecasted for the heart of the Plains but scattered ½ inch up to 2 inches for the Corn Belt. Today's conditions report should remain steady if not improve yet again for corn and soybeans. Export activity will also be watched closely to see if we can remain on pace to hit our end of the marketing year estimates from USDA.

The 6-10 day maps show normal to below normal temps with normal to above normal precipitation for the entire Corn Belt. Without a major weather scare or some unforeseen breaking news, prices look to remain chopping sideways to lower into fall harvest.

### **Loewen and Associates, Inc.**

Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor

[www.loewenassociates.com](http://www.loewenassociates.com)

[peteloewen@cox.net](mailto:peteloewen@cox.net)

[matthines1@cox.net](mailto: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.**