



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

Cattle futures finished higher as hogs were mixed to lower as all livestock futures got a slow start out of the gates yesterday. Fats were the futures leader yesterday with all the concern on beef demand not even hinted about after the open. Cutouts were higher and showlists appear to be smaller this week. Most think this trend will continue and put pressure back on the packers over the near term.

Both in Oklahoma City and Joplin yesterday feeders and calves were fetching higher prices. Oklahoma City volume was considerably lower than a week ago but prices were steady to \$3 higher throughout. The past couple weeks in Joplin prices had been sharply lower but yesterday steer calves sold for \$5 to \$15 higher while heifer calves and yearlings were reported steady to \$2 higher on good demand.

Cattle slaughter from Monday estimated at 115,000 head, up 3,000 from a week ago but down 4,000 from a year ago.

Boxed beef cutouts shot higher on moderate to fairly good demand

Choice Cutout__250.52 +2.07

Select Cutout__244.88 +1.43

Feeder Index:___210.88 -3.60

Hog slaughter from Monday estimated at 372,000 head, up 9,000 from a week ago but down 23,000 from a year ago.

Lean Index.___133.16 -.62

Pork carcass cutout___134.99 -2.57

IA-S.MN direct avg__127.65 unchanged

National cash avg__127.00 -.36

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Moving on to the grains,

Old crop soybean sales to China still aren't enough to turn the grain markets around as they stayed in the red all day yesterday. Export inspections were in line with expectations...

Wheat – 515,283 MT or 18.9 MBU inspected for export, above expectations at 400,000 MT. 5.9 MBU to Brazil is a huge boost, the rest spread out to SE Asia, Central and South America. Total shipped to date for the 14/15 crop year at 118.8 MBU compared to 162 MBU at this time last year.

Corn – 939,791 MT or 37 MBU inspected for export is in line expectations. 5.1 MBU to Mexico, 5.2 MBU to Egypt, 8.1 MBU to Japan and 10.1 MBU to South Korea were the largest shipments of the week. Total shipped to date at 1,615 MBU, USDA at 1,900 MBU.

Soybeans – 96,915 MT or 3.5 MBU inspected for export is above expectations. 705,185 BU to Mexico and the rest spread out to SE Asia. Total shipped to date at 1,577 MBU, USDA at 1,620 MBU.

After the close, USDA released its weekly crop progress and conditions report. Biggest news there, spring wheat, corn and beans are steady to slightly better than a week ago.

- Winter Wheat Harvest at 75% complete compared to 69% last week
- Spring Wheat Headed at 84% nationally compared to 83% a year ago
- Spring Wheat Conditions g/e = 70%, unchanged, p/vp = 5%, +1%
- Corn Silking at 56% nationally compared to 39% a year ago
- Corn Conditions g/e = 76%, 5th highest in history on this date, p/vp = 4%, both unchanged, the highest rating on this date came in 1987 at 87% g/e
- Soybeans Blooming at 60% nationally compared to 43% a year ago
- Soybean Conditions g/e = 73%, +1%, p/vp = 5%, -1%, the highest rating on this date came in 1994 with 80% rated good to excellent

Overnight the grains started a turnaround Tuesday and we will see if that can hold into the open this morning. Corn finished a penny higher, old crop soybeans up 14 and new crop up 4 and wheat 1 to 6 higher in all three pits.

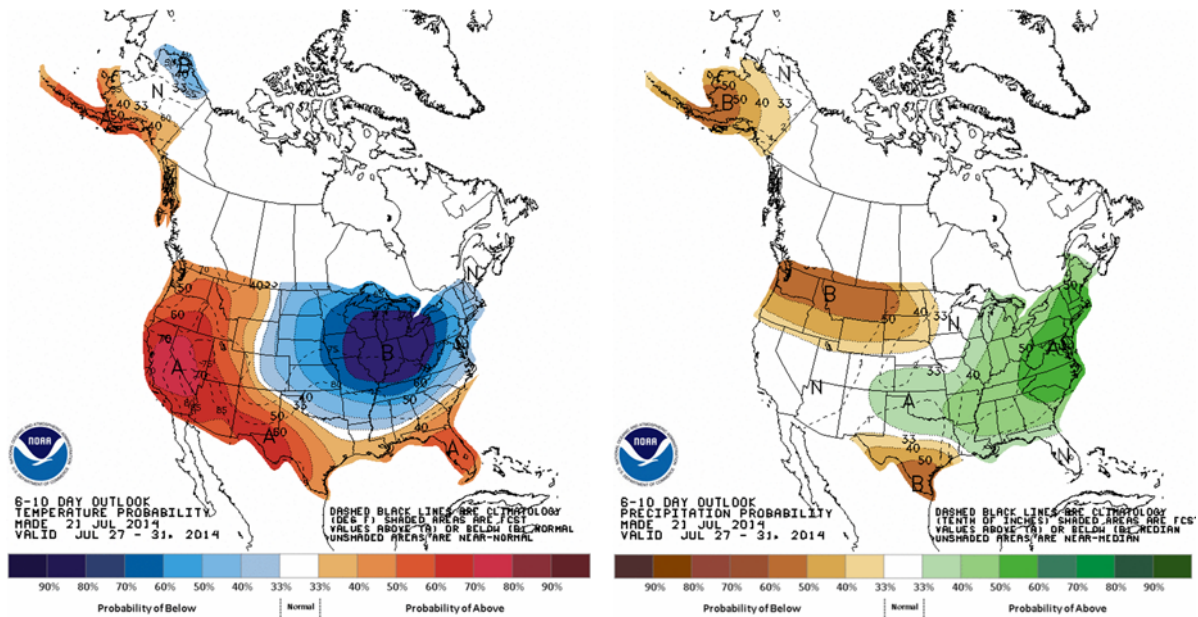
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Announced this morning, 225,000 MT new crop soybean meal and 20,000 MT of soybean oil sold for unknown destinations along with 180,000 MT of soybean meal sold to Vietnam.

Today we shall see if prices can hold up. November soybeans have found some support at 10.65 and December corn at 3.70. December KC wheat is trying to find a bottom here, 6.22 is the low back from January and if hit would be a full retracement from the 8.62 high in May.

Weather still looks pretty good once we get past this hot and dry portion of this week.



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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