



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Cattle futures finished strong last Thursday capping off another record high week. Feeders broke above \$219 for a daily high and over in the live cattle pit, prices gapped higher to reach new record high prices as well. The highest price to date coming from the October contract at \$157.25.

Cash feedlot trade was also a new record high at \$3 to \$4 higher than a week ago. In the South most of the trade was done at \$158 live and in the North, \$158 to \$159 live with dressed trade ranging from \$248 to \$250.

For the week, June Fats +3.88, August Feeders +3.30 and July Hogs +.82

Cattle slaughter from Thursday estimated at 116,000 head, down 1,000 from a week ago. Last week's totals were 464,000, compared to 463,000 through Thursday of the week previous and 374,000 a year ago.

Boxed beef cutouts higher on moderate demand

Choice Cutout__248.12 +.46

Select Cutout__241.12 +1.00

Feeder Index:___216.43 -.77

Hog slaughter from Thursday estimated at 403,000 head, up 6,000 from a week ago. Last week's totals were 1,626,000 compared to 1,570,000 through Thursday of the week previous and 1,274,000 a year ago.

Lean Index.___128.66 +.49

Pork carcass cutout__134.20 +1.03

IA-S.MN direct avg__127.50 -1.15

IMPORTANT—PLEASE NOTE

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Opening calls are mixed this morning for both cattle and hogs as traders come back from a long holiday weekend. It appears there are just as many thinking we may see some follow through buying as those that are looking for profit taking to start the week. Thoughts on cash trade this week are steady to \$1 higher. We shall see how clearance was over the holiday weekend and if packers can raise beef prices again this week. Historically we are entering a sluggish demand period with summer vacations and seasonally hot weather disrupting meals.

Moving on to the grains,

Corn and beans finished the day and week lower but wheat held on to end the week. December corn posted a new low at 414 ½ with soybeans down to prices back about 4 months ago. No big surprises from last week export sales but new crop sales for both corn and soybeans are still behind a year ago totals.

For the week, July Corn -26, December -32, July Soybeans -44 ¼, November -94 ½, July KC Wheat -29 and July Chicago Wheat -17 ¼

No overnight markets to react to but all opening calls appear to be lower for grains.

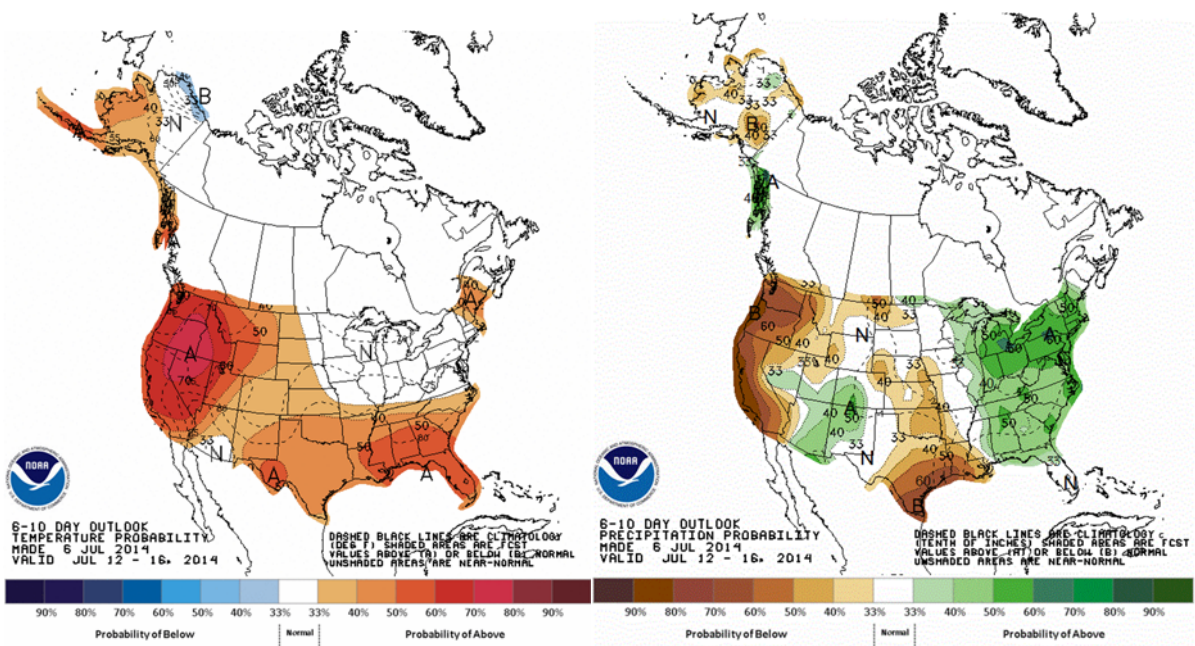
USDA will update supply and demand this coming Friday and expect some very large ending stocks for new crop soybeans considering the planted acreage is now up to 84.8 million acres and production potentially at 3.7 billion bushels or higher. New crop corn yield is expected to increase even more from the 165 bushel per acre trend line yield but the arguments will soon start building about the weather damaged and flooding acres.

This morning USDA announced a sale of 347,000 MT of US soybeans sold to China for new crop.

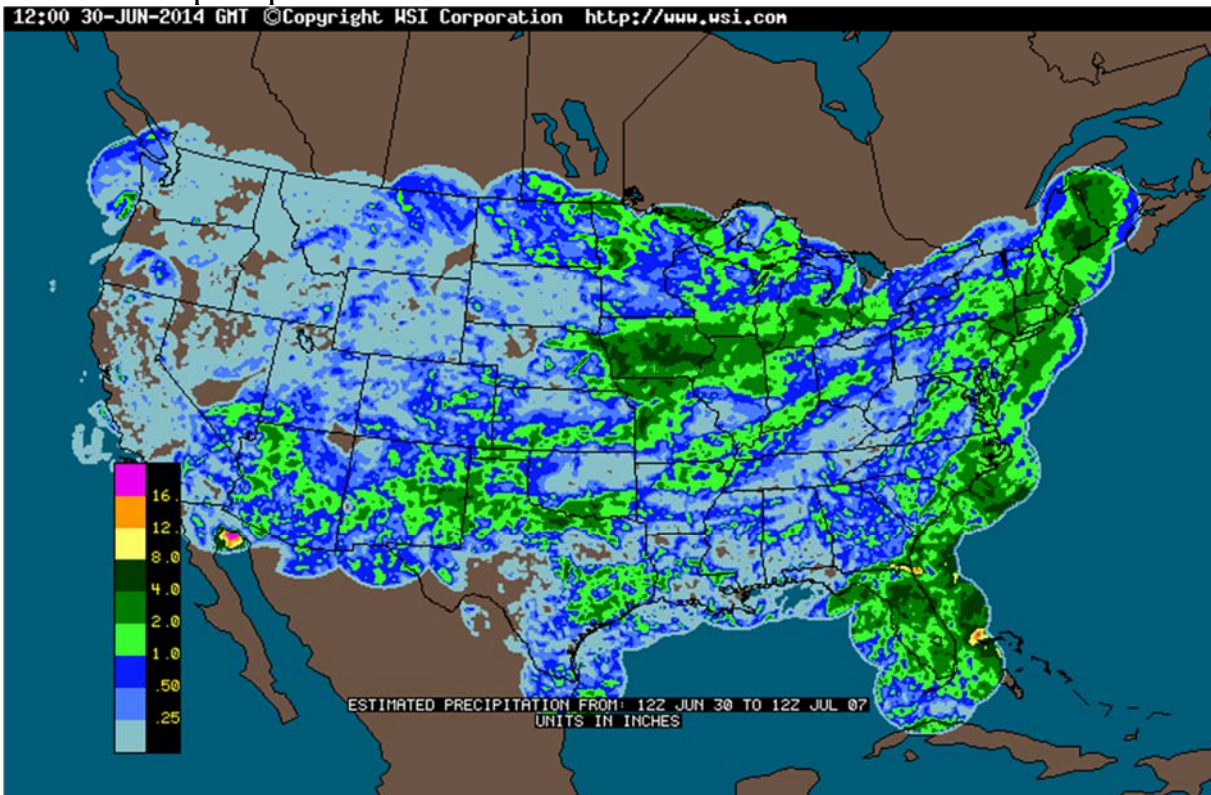
Weather continues to look favorable for crop development with no high pressure ridging present. The 6-10 day maps are calling for normal temps across the entire corn belt with normal to above normal precipitation especially East.

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Last week's precipitation...



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