



Loewen and Associates

Commodity Consulting/Brokerage

Pete Loewen, Matt Hines

Doug Biswell, LaVell Winsor

866 341 6700

www.loewenassociates.com

Date: 8.11.14

Morning Ag Markets **Matt Hines**

Limit down for cattle 2 days in a row was not a good way to end last week. Most of the week cattle futures were steady to mixed with higher cash prices paid for calves and feeders early in the week and prices remained steady at least throughout. The Russian ban on all food imports from the U.S. could have started the fire sell to the end the week but Russia has purchased little to no beef from the U.S. since 2012 and they rank as our 23rd best food customer. Overall, Russia imports 40% of its total food supply. Packers saved quite a bit last week paying \$3 to \$6 lower than the week previous. Bids surfaced by Thursday morning and continued to fade through the end of the week.

For the week, August live cattle -\$4.75, August feeders -\$4.95 and August lean hogs -\$3.80.

Cattle slaughter from Friday estimated at 114,000 head, even with a week ago but down 7,000 from a year ago. For the week, 573,000 head, down 1,000 from the week previous and down 55,000 from a year ago. Our year to date difference out to 7.0% less now.

Boxed beef cutouts sharply lower on very light demand

Choice Cutout__260.45 -1.96

Select Cutout__253.00 -2.26

Feeder Index:___222.33 -1.61

Hog slaughter from Friday estimated at only 345,000, up 82,000 from a week ago but down 34,000 from a year ago. For the week, 1,919,000 head, up 52,000 from the week previous but down 106,000 from a year ago. Year to date difference remains at 4.8% 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.**

Lean Index. __120.99 -1.23
 Pork carcass cutout __124.99 -1.43
 IA-S.MN direct avg __114.32 -.45

Opening calls this morning are mixed to lower for cattle and hog futures. The charts took a nasty hit last week along with cash prices and cutout values. This slide could well continue this week with more long liquidation. Early offers in the cattle pits are limit lower.

Back and forth in the grain pits, extended forecasts continue to control the corn and soybean markets. Friday though soybeans charged ahead led by commercials buying the August contract while in delivery and quite a bit of spread activity in the both the soybean and meal pits. Wheat was on a roll for the first half of the week and lost 20 to 30 cents the last 2 days. Crop quality in Europe along with the Ukraine/Russia situation will continue to impact the wheat futures.

For the week, September corn finished - 3/4, December +1 1/4, August soybeans +69 3/4, November +26 1/4, September KC wheat -3, September Chicago wheat +15

Overnight grains were mixed, corn crawled back in the green finishing up 1 while wheat could not and finished 1 to 4 lower in all three pits. Soybeans continue the tale of two crops, old crop up 12 and new crop down 1.

The NASS production estimates along with S&D's and World S&Ds will be issued in the Aug crop report Tues mid-morning. The following survey estimates were provided by Bloomberg News

	U.S. Production		Prior USDA Forecasts	
	Average	Range	2014	2013
Corn	14.250	13.936-14,612	13.860	13.925
Corn Yield	170.2	168.0-173.9	165.3	158.8
Soybeans	3.815	3.582-3.951	3.800	3.289
Soybean Yield	45.5	42.8-47.0	45.2	43.3
	Wheat Production		USDA Estimates	
	Average	Range	2014	2013
All U.S. Wheat	2,015	1,988-2,068	1,992	2,130
All Winter Wheat	1,372	1,320-1,413	1,367	1,534
Spring Wheat	581	566-634	565	534
Durum Wheat	60	53-65	60	62

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.**

	US 2014-15 Ending Stocks Estimates		
	Average	Range	USDA July Forecast
Corn	2,034	1,777-2,492	1,801
Soybeans	406	200-522	415
Wheat	666	621-744	660

	US 2013-14 Ending Socks Estimates		
	Average	Range	Previous USDA
Corn	1,243	1,196-1,300	1,246
Soybeans	137	125-145	140

	World 2014-15 Ending Stocks Estimates		
	Average	Range	July 11 USDA
Corn	192.43	186.7-201.00	188.05
Soybeans	85.80	82.00-88.75	85.31
Wheat	190.81	187.50-195.40	189.54

	World 2013-14 Ending Stocks Estimates		
	Average	Range	Previous USDA
Corn	173.89	173.00-175.00	173.42
Soybeans	67.29	67.00-68.00	67.24

USDA announced this morning more new crop soybeans to China, 168,000 MT.

Weather continues to look beneficial for fall crops with normal temperatures for most of the Corn Belt, some above normal forecasted for the North, and decent rain coverage especially for the middle of August.

Crop conditions released later today could show improvement in the soybean crop which would be bearish to prices come Tuesday morning but don't expect much of a break either direction until after the supply and demand report at 11.

December corn still holding support at \$3.60 with resistance at \$3.77. November soybeans have support at \$10.54 with resistance at \$11.07 with a decent uptrending line from last week's trade. September KC wheat is holding onto a low so far at \$6.11 with resistance right around \$6.60.

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.**