



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Livestock futures were mixed to lower yesterday. Soybeans led the grain futures down double digits and pressuring corn in the red, wheat was able to finish higher though after trading both sides of unchanged throughout the day.

Cattle futures were mixed with not much activity to push them sharply higher or lower. If products start falling off expect futures to come under pressure and packers will try to save some money this week. As of right now the hope for feedlots is to try and hold steady. Lean hogs futures though were down double digits as cash was off another \$2 and 1 packer rumored to open back up Saturday kills that could push slaughter back up to or just above 1.9 million head this week.

Oklahoma National and Joplin Regional Stockyards both on Monday ran through quite a few more offerings than we have seen in the past few weeks with cattle coming off grass now. Oklahoma City reported feeder steers & heifers at \$5 to \$8 higher and calves \$6 to \$10 higher on very good demand compared to a week ago. In Joplin, steers and heifers were steady to firm compared to week ago and an estimated more than 1,600 head ran through. Since July 21st the CME Feeder Index is \$14.67 higher and still almost \$4 premium to the nearby August feeder contract.

Cattle slaughter from Tuesday estimated at 115,000 head, even with last week but down 6,000 from a year ago.

Select and Choice rib and loin cuts were weak while chuck and round steady.

Choice Cutout__263.27 +.05

Select Cutout__256.75 -1.28

Feeder Index:___225.15 -.53

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Hog slaughter from Tuesday estimated at 400,000 head also even with a week ago but down but down 22,000 from a year ago.

Lean Index. __124.32 -.79

Pork carcass cutout __127.96 +.14

IA-S.MN direct avg __116.77 No trade Monday, but -2.79 from Friday

National cash avg __115.86 +.18

Moving on to the grains,

Turnaround Tuesday here again in the grain pits with soybeans giving back most of Monday's gain & pulling corn lower with it. Crop conditions were unchanged Monday night for soybeans and 2% lower for corn with more precipitation put in the nearby and extended forecasts for the Corn Belt. Wheat continues to show resiliency trading lower most of the morning but pushing back higher and closing higher in all three wheat pits. Wheat turned back into the green after early afternoon comments by Poland's prime minister saying that Russia is poised to invade Ukraine. Fears are already building that high quality milling wheat will be tight this year with the decreased US HRW crop and rain damaging French and German wheat with more precipitation forecasted. Argentina's credit problems along with a smaller crop this past year already forced Brazil to secure more from the US. Thoughts right now are that the US could export an additional 100 MBU this year due to quality damage in the EU turning milling wheat into feed wheat. Last year the EU exported 32 MMT. This will also affect world corn trade with more feed wheat available in the EU decreasing the need to import as much corn.

Overnight soybeans continued lower finishing down 1 to 4. Corn held steady and wheat was higher, KC up 5 and Chicago up 2 to 5.

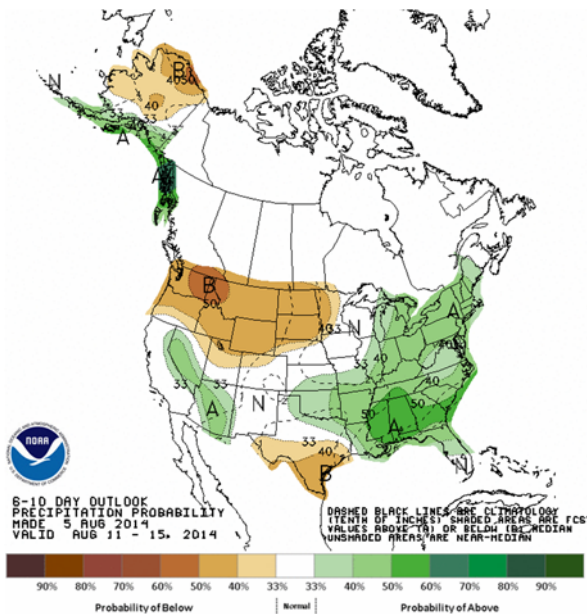
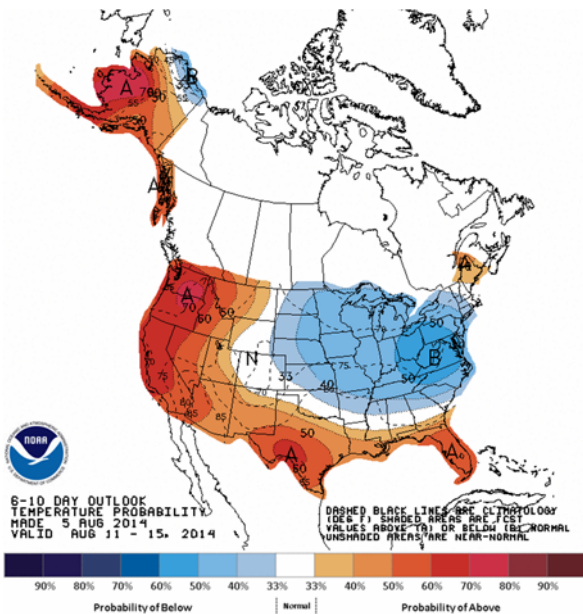
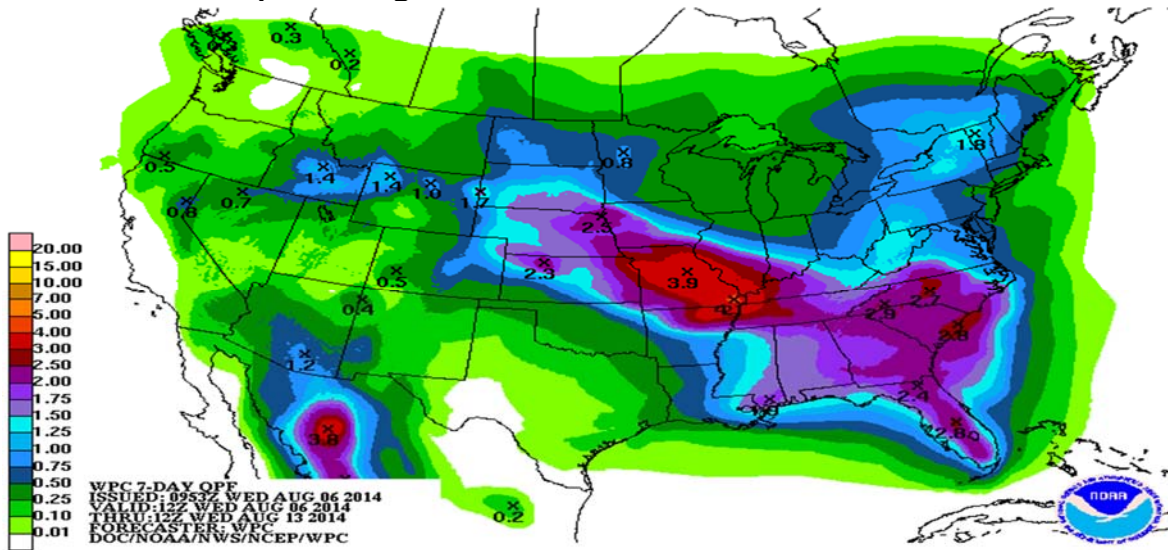
Quality wheat concerns are now spreading into Ukraine. Harvest is progressing well with yields higher than last year but currently only 60% of the crop has milling characteristics and in the end is expected the continue to decline.

USDA announced this morning 160,000 MT of new crop corn sold to Colombia.

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Plenty of slow rainfall the past 24 hours adding up to 1 to 4 inches for parts of southern South Dakota, northeast Nebraska and western Iowa with more of the Corn Belt expected to see their fair share over the next few days. The 7 day accumulative map showing almost 4 inches centered in MO.



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