



Loewen and Associates

Commodity Consulting/Brokerage

Pete Loewen, Matt Hines

Doug Biswell, LaVell Winsor

866 341 6700

www.loewenassociates.com

Date: 10.01.14

Morning Ag Markets

Matt Hines

Welcome to October! I have to start with what a game last night as the KC Royals get their first postseason win in 29 years in the wildest of wild card games.

Livestock futures calmed down a little after 2 days of buying frenzy. Lean hogs and feeders still supported by stronger cash values being paid out there but fats need to find some support this week to push into new contract highs or honestly, new contract highs on futures could force the packers hand to pay up. Offers are still sitting at \$161-\$163 in most areas today but with today the start of a new month and new cash contracts, maybe packers have contracted enough to not get into a frenzy yet this week.

Cattle slaughter from Tuesday estimated at 115,000 head, up 1,000 from last week but down 7,000 from a year ago.

Boxed beef cutout values steady to weak on moderate to fairly good demand and moderate to heavy offerings.

Choice Cutout__238.03 +.01

Select Cutout__226.45 -.38

Feeder Index:__233.66 +.22

Hog slaughter from Tuesday estimated at 424,000 head up 3,000 from a week ago but down 11,000 from a year ago.

Lean Index.__108.96 +.66

Pork carcass cutout__121.98 +1.29

IA-S.MN direct avg__108.89 +.45

National cash avg__106.82 +2.61

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.**

Over in the grain pits it was report day yesterday with quarterly stocks, wheat production and even last year's soybean crop updated. The USDA report provided no real surprises, with the all wheat production number near expectations at 2.035 BBU. All winter wheat was down 20 from August, HRW was up 10, while SRW was down 10. Wheat stocks were 35 million above expectations at 1.914 BBU.

The final corn stocks number for the 2013/14 marketing year was 1.236 BBU, implying slightly less feed use than the USDA's September estimate. The trade was looking for a 1.185 BBU with last year at 821 MBU.

Included in the Quarterly Stocks was a revision to 2013 soybean production in which USDA raised it 69.2 MBU to 3.36 BBU. Planted acres seen up 307,000 to 76.8 million, and yields up 0.7 to 44.0 BU/A. Despite the revisions, the stocks number came in well under market expectations at just 92 MBU vs 126 expected.

Overnight grains continued to slide lower with corn down 1, soybeans down 3 to 4 and wheat down 2 to 4 in all three pits. The next crop report from USDA will be out October 10th as yields continue to be impressive for both corn and soybeans in many areas.

Egypt announced a snap tender for wheat for November 1-10 shipment after the close yesterday. Egypt's last purchase was one cargo of U.S. wheat back on September 22nd. Black Sea and EU prices have dropped more than U.S. values in the past week, which will likely leave the U.S. on the outside looking in unless there is another largely discounted cargo found somewhere but as of this morning not a single cargo was offered from the US.

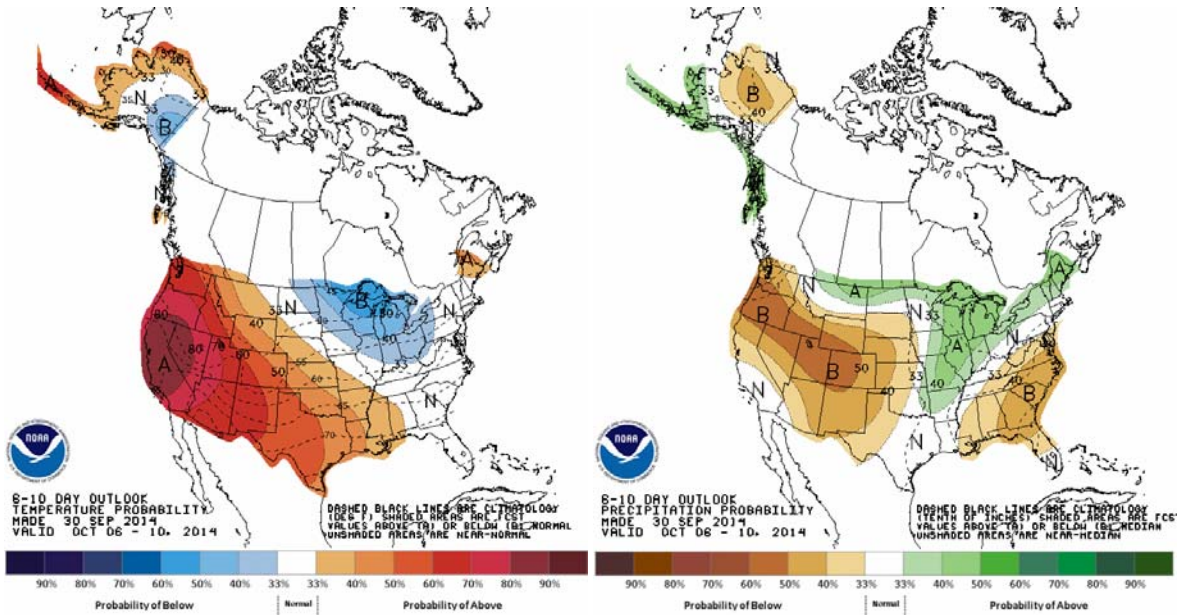
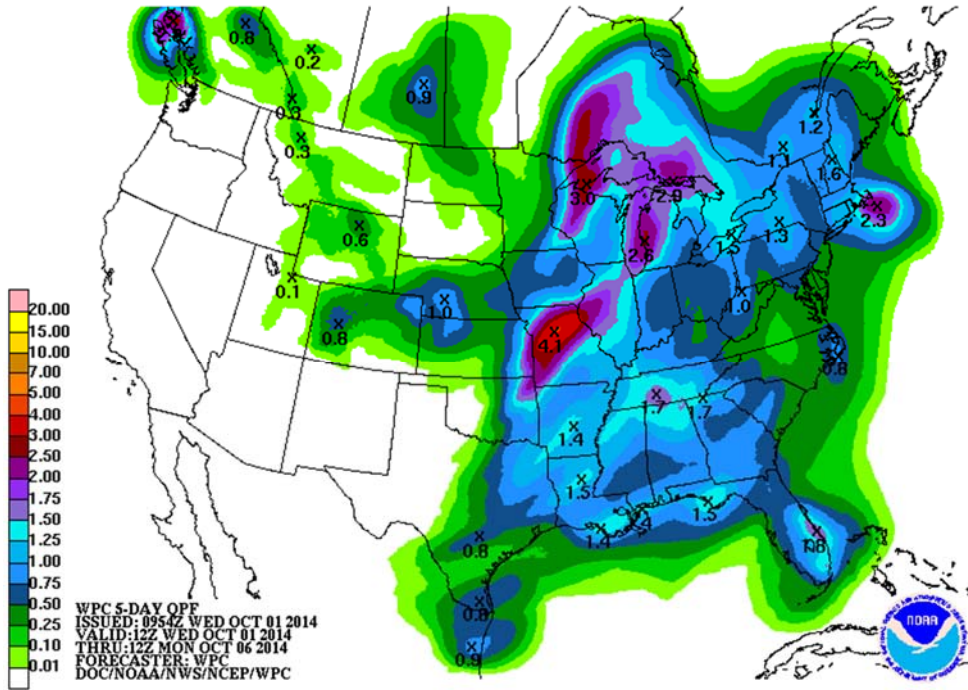
Stats Canada will be out with fresh production estimates on Friday morning. All wheat is expected at 28.0 MMT, up 300k from last, while Durum is seen at 5.1 MMT vs 4.95 in their August report.

Support levels have been broke as we chased into new lows for corn and soybeans yet again. Corn is looking at the 2009 lows from \$3.04 to \$2.96 and the low in December 2008 was at \$2.90. November soybeans still cruising lower and eyeing the \$9 mark. In 2009 futures got down to \$8.43 and in 2008 down to \$776 ¼. Wheat in all three pits is trading sideways in a tight \$.10 to

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.**

\$.20 range. Chicago support is down at \$4.50 and the lows from 4 years ago at \$4.25. December KC wheat has support at \$5.50 and the 2010 lows are all the way down at \$4.55.



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.**