



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Livestock futures turned around Tuesday with triple digit gains throughout but grains continued lower. It appears it was just a one day profit taking day on Monday and back to normal or last week like markets for cattle and hogs. Cash feeders and calves along with hogs continue on a steady to higher pace with futures still playing catch up. The nearby October live cattle contract though is still having a hard time pushing into new contract highs. Feedlot asking prices continue to climb and appear to be \$168 plus live and \$260 plus on a dressed basis.

Cattle slaughter from Tuesday estimated at 116,000 head, down 3,000 from last week and down 10,000 from a year ago.

Boxed beef cutout values weak on Choice and higher on Select on light to moderate demand and offerings.

Choice Cutout__251.08 -.31

Select Cutout__238.68 +.84

Feeder Index:__225.95 +.54

Hog slaughter from Tuesday estimated at 405,000 head down 7,000 from a week ago and down 22,000 from a year ago.

Lean Index.__97.79 +1.00

Pork carcass cutout__105.28 +1.74

IA-S.MN direct avg__101.30 +1.51

National cash avg__99.04 +2.48

Overnight livestock futures climbed higher topping out near \$2 higher in the middle of the night but faded but still higher so far this morning. Lean hog

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futures also climbed higher topping out near \$1 higher and faded even into lower money in the early morning hours trading mixed now.

Over in the grain pits yesterday soybeans led the charge lower, breaking into new contract lows and breaking the \$10 mark. Frost/freeze concerns have weakened for the northern Corn Belt this weekend which opened the door for more pressure on the grains. MN and WI could still see some frost but the latest models pushed the temps back up for the Dakotas. Not to say that this cold front isn't going to happen but the major producing areas of the Northern Corn Belt appear to be in the clear for now.

Overnight grains did not fall apart and soybeans held positive just barley finishing a penny higher. Corn was down ¼ to ½ and wheat mostly 3 lower for all three pits.

Barring any breaking news worldwide over the next 24+ hours, the market will be focused on USDA's next crop report that will be out on Thursday at 11 am with their latest supply and demand estimates. The average pre-report US yield estimates are 170.7 bpa for corn and 46.3 bpa for soybeans.

CROP REPORT EST:

Production	Corn Prod	Average Yield	Soybean Prod	Average Yield
Average	14.288	170.743	3.883	46.293
Highest	14.649	174.1	4.035	48.0
Lowest	14.000	168.5	3.760	45.4
USDA August	14.032	167.4	3.816	45.4
USDA 13 final	13.925	158.8	3.289	43.3

U.S. end stocks	2013/14			2014/15	
	Corn	Soy	Wheat	Corn	Soy
Average	1.191	0.136	0.667	2.012	0.453
Highest	1.231	0.142	0.716	2.421	0.495
Lowest	1.136	0.119	0.625	1.811	0.353
August	1.181	0.140	0.663	1.808	0.430

World end stocks	2013/14			2014/15		
	Wheat	Corn	Soy	Wheat	Corn	Soy
Average	183.27	170.72	67.22	193.75	190.34	87.24
Highest	184.00	173.00	68.23	203.00	202.63	100.37
Lowest	180.88	163.74	66.50	189.42	184.60	82.88
August	183.66	171.09	67.09	192.96	187.82	85.62

Now that the 2013/2014 fall crop marketing year is behind us, you would think USDA should have it all figured it out, but changes can still be made to those balance sheets. Soybeans of course have the negative residual looming over their heads which still makes no sense to many, just fix the beginning stocks. When looking at corn, the baffling number right now is exports at 1.92 BBU

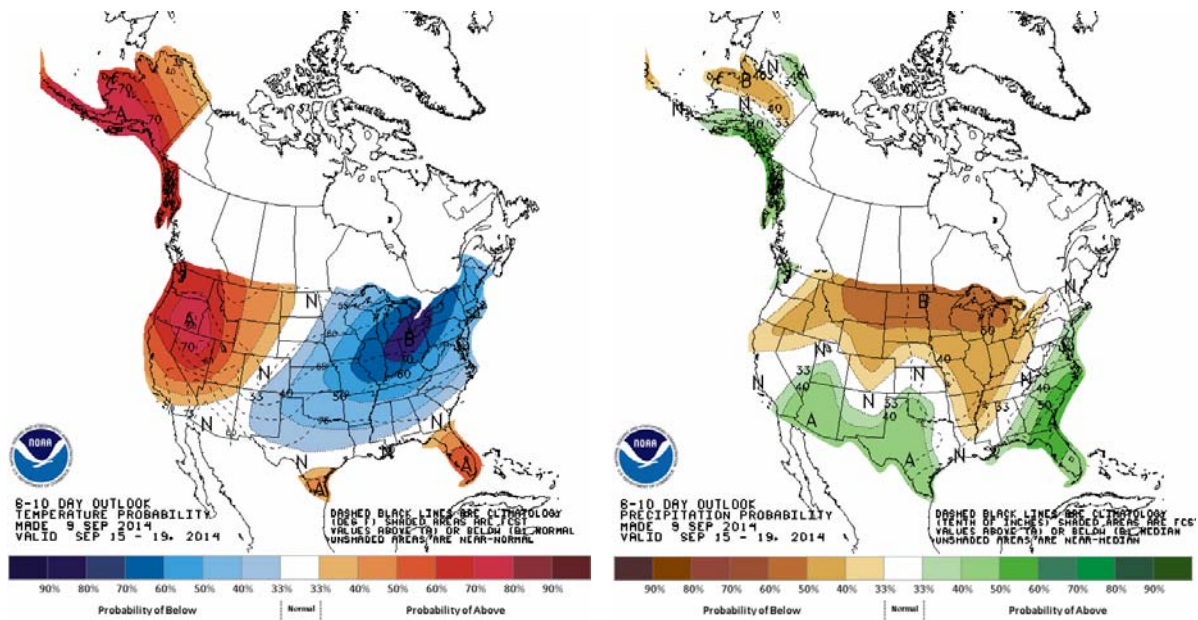
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when the up to date shipments and sales reports show roughly 1.86 BBU. Here's the thing though, these are the numbers no matter how much we argue them and we manage the risk accordingly.

December corn right at the next support line at \$3.43 then \$3.35 and resistance at \$3.60. November soybeans again a new contract low overnight at \$9.90 with the next support going back to the spring and summer of 2010 at \$9.50 and \$9.30. December Chicago wheat broke the \$5.25 support and just hovering around it now. The \$5 mark should be the next level of support with resistance at \$5.42 while December KC still holding onto support at \$6.18 with resistance at \$6.35.

The 6-10 day maps continue to hold below normal temps North and East centered on the Great Lakes and Ohio now with normal to below normal precipitation for the entire Corn Belt.



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