



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

**Matt Hines**

Livestock and grain futures were mixed to end the week. Live cattle drifted lower most of the week and feeders mixed. Feeders fought back from double digit losses early on Friday. Cutouts and live cattle futures dipping back south lead to the late Friday cash feedlot trade at \$1 to \$3 lower than the week previous. In the South, packers saved \$1 to \$2 at \$161 to \$162 live while in the North the range traded was \$248 to \$250 on a dressed basis. Once again, Iowa traded cattle before other major feeding states with 10,000 head before Friday's trade of another 6,000.

For the week, October live cattle finished down \$3.47, September feeders up \$3.75 and October lean hogs up \$.08.

Cattle slaughter from Friday estimated at 113,000 head, down 3,000 from a week ago but up 8,000 from a year ago. For the week, 592,000 head up 74,000 from last week but down 23,000 from a year ago. Our year to date difference shrank slightly to 6.9% less.

Boxed beef cutouts lower on light demand

Choice Cutout\_\_249.93 -1.61

Select Cutout\_\_234.54 -1.81

Feeder Index:\_\_227.74 +.76

Hog slaughter from Friday estimated at 402,000 head, down 8,000 from a week ago and down 21,000 from a year ago. For the week, 2,053,000 head, up 273,000 from the week previous but down 118,000 from a year ago. Year to date difference remains at 5.3% less.

Lean Index.\_\_101.34 +1.14

#### **IMPORTANT—PLEASE NOTE**

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Pork carcass cutout\_\_106.57 -.96  
IA-S.MN direct avg\_\_102.99 +.15

Opening calls this morning are mixed for both cattle and hogs. Cash calls are holding steady so far but further pressure on the futures and cutouts could lead to lower cash sales later in the week.

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Moving on to the grains,

Thursday's supply and demand report did enough damage for the week that Friday's trade was pretty quiet. Forecasts for frost or even freezing temps in the northern Corn Belt weren't enough for the bulls to pull the market higher this past week. Higher than expected yields for both corn and soybeans continue to come in pressuring the markets.

For the week, December corn finished -17 ½, November soybeans -36 ¼, December KC wheat -35 ¼, and December Chicago wheat -32 ¾.

Overnight grains pressured some more with corn down 2 to 3, soybeans 4 to 6 lower and wheat 3 to 5 lower.

The most prevalent headline this morning is the cold temps over the weekend did not get cold enough to cause any big damage, yet freeze damage could take some time to assess in many Northern areas. Locally with crops mature all should be fine and may help some dry down. I know I had to scrap a layer off the windshield this Saturday morning.

NOPA August crush report out this morning with an average estimate of 111.5 MBU crushed domestically compared to 116.34 MBU a year ago and 119.6 MBU in July.

FSA is scheduled to be out tomorrow with updated acres. Some are holding out hopes that they will report fewer acres.

Private estimates continue to increase the potential production size for Brazil's soybean crop. USDA just bumped up their estimate 3 MMT to 94 MMT but now some are saying as high 95-96 MMT.

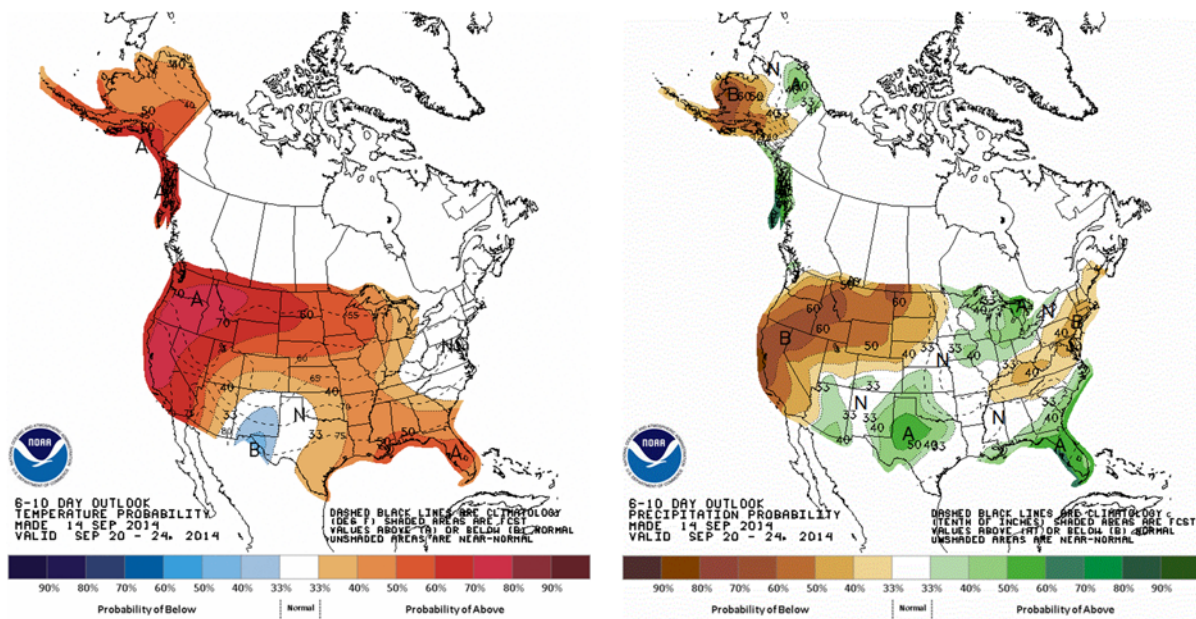
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Overnight Saudi Arabia purchased 610,000 MT of hard wheat from multiple origins in North and South America as well as some from Australia and the EU.

USDA announced this morning 118,000 MT soybeans sold to China for the 2014/15 crop year and 120,000 MT of corn sold to Mexico but this is for the 2015/16 crop year.

December corn still holding support at \$3.35 with resistance at \$3.48 and \$3.60. November soybeans hit a new contract low again this past week and now hitting prices not seen since 2010 with minor support levels from here all the way the \$9. December Chicago wheat is similar to beans with current prices not seen since 2010, support is down at \$4.50 and the lows from 4 years ago at \$4.25. December KC wheat just broke the \$6 barrier and the 2010 lows are all the way down at \$4.55.



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