



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Compared to last week, feeder cattle and calf markets were not fully tested due to limited marketing during the Thanksgiving Holiday week. However, several major auctions held specials on Monday and Tuesday with calves and yearlings selling steady to 5.00 higher on an active limited test. Boxed beef values were strong on this holiday shortened week as retailers restock their shelves with beef for consumers that will soon tire of turkey sandwiches. Cash feedlot trade developed in Kansas on Wednesday with live fed cattle prices steady with last week at \$173. Friday Nebraska sold 3205 head at \$268 per cwt dressed or \$170 live for a weekly total of 18,625 head. Iowa-southern Minnesota sold 1446 head at \$170 live or \$267.66 dressed for a weekly total of 6831 head. Overall trade was very light last week and steady to \$1 lower in some instances.

For the week, December live cattle down \$2.02, January feeders down \$5.27, December lean hogs down \$.32

Cattle slaughter from Friday estimated at 107,000 head, down 4,000 from a week ago and down 13,000 from a year ago. For the week, 496,000 head down 29,000 from the week previous mainly due to no kill on Thanksgiving, down 60,000 from a year ago. Our year to date difference remains at 7.3% less but steer averaged 906 pounds which is 28 pounds above last year and 34 pounds above 2012. Heifer carcass weights decreased one pound from the week previous to 829 pounds which is still 23 pounds above last year and 14 pounds above 2012.

Boxed beef cutout values firm to higher on light demand and very light offerings.

Choice Cutout__257.40 +.27

Select Cutout__245.85 +1.85

Feeder Index:__240.00 -.71

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Hog slaughter from Friday estimated at 418,000 head, steady with a week ago and up 5,000 from a year ago. For the week, 1,991,000 head, down 241,000 from the week previous and down 65,000 from a year ago. Year to date difference remains at 5.2% less.

Lean Index.__last price from Thursday at 88.79 -.06

Pork carcass cutout__93.14 +.35

IA-S.MN direct avg__86.00 -.68

Opening calls are steady to 50 higher for cattle and mixed for hogs. Cash for this week is seen as mixed for both cattle and hogs. Boxed beef values may keep working higher this first week in December but something has to give between futures and cash moving in opposite directions.

Moving over to the grains, soybeans crashed lower on Friday pressured by a sharply higher US \$ and tanking crude prices. Over Thanksgiving, OPEC announced they would not change production sending crude soaring below \$70 per barrel for the first time since 2010. Export sales for corn, wheat and soybeans very strong with corn and soybeans above expectations but due to cancellations most of the sales this week finally going from unknown to getting a destination, the soybean meal number this week was negative 22,300 MT. YTD Corn sales stand at 21.5 MMT vs. 24.9 MMT last year on this date. Sales now total 48.5% of the USDA estimate vs. the five year average for this date of 53%. Soybean sales year to date stand at 38.6 MMT vs. 36.7 MMT last year on this date. Sales total 82% of the USDA estimate vs. the five year average of 72%.

For the week, December corn down \$.03, January soybeans down \$.23, December KC wheat up \$.33, December Chicago wheat up \$.30.

Overnight corn and soybeans were under pressure most of the night but soybeans found some bargain buying and finished up a penny+. Corn finished down 3 to 3 ½ with wheat mixed in all 3 pits.

New news over the weekend was light but this morning USDA announced a private sale of 126,000 MT of corn sold to unknown destinations for this marketing year.

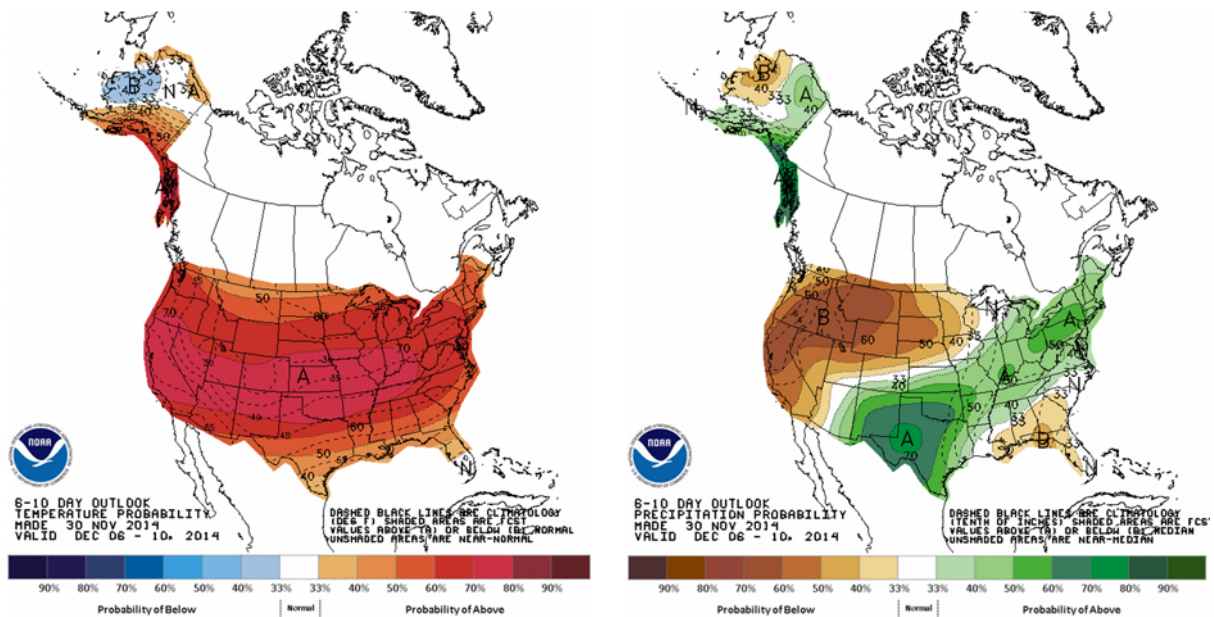
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Wheat futures have been a nice steady rally here the past couple weeks with US weather supporting along with some premium adding in for Russian weather and also Australia. We have broken out of the sideways trade and looking for prices to rebound back to highs not seen since harvest. December KC wheat has support at \$6.20 with resistance at \$6.54.

Corn and soybeans are still chopping sideways. December corn has formed a wedge now the past 2 weeks so it may look for a breakout here, direction of course unknown. Support is sitting down at the 100 day moving average of \$3.60. January soybeans fell right through all the averages providing support last week and now could test the \$10.00 level.

After this cold front passes us today, temps return to more normal with a couple shots for some light moisture chances later in the week. The 6-10 day maps show above normal temps for the entire continental US and normal to above normal from Texas up through the Corn Belt.



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