



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Livestock futures shot higher to end the week with some live cattle and lean hog contracts finishing up the \$3 limit, feeders raced even higher. Cash feedlot trade was light middle of the week but more trade was reported late Friday at \$160 to \$162 live which is steady to \$3 higher than a week ago. In the North, dressed sales were mostly at \$255 to \$260 also steady to \$3 higher than a week ago.

For the week, Friday to Friday, February Live Cattle up \$1.22, March Feeders down \$5.75, and February Lean Hogs down \$3.60.

Cattle slaughter from Friday estimated at 107,000 head, up 2,000 from a week ago but down 2,000 from a year ago. For the week, 544,000 head down 19,000 from the week previous and compared to a year ago. Five plus weeks into this year and cattle slaughters numbers are 8.8% behind last year's pace.

Boxed beef cutout values lower on light to moderate demand and moderate offerings.

Choice Cutout__239.08 -2.10

Select Cutout__233.81 -1.58

Feeder Index:__210.65 -.81

Hog slaughter from Friday estimated at 423,000 head, up 4,000 from a week ago but down 1,000 from a year ago. For the week, 2,250,000 head, down 5,000 from the week previous but up 88,000 from a year ago. Year to date hog slaughter numbers are only down .6% compared to a year ago now.

Lean Index.__67.90 -.98

Pork carcass cutout__72.94 -1.03

IA-S.MN direct avg__60.93 -1.26

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February live cattle reached up to a new recent high on Friday and the charts look a little friendlier now with \$160 the next line of resistance and support in the \$150 to \$148 range. Feeder charts still look ugly with about a \$25 loss so far this year on a very steep down trending line. Resistance sits at \$200 and \$205 with support in the \$197 to \$193 range.

Over in the grain pits, Friday was a subdued day for corn and wheat with futures staying fairly close to unchanged which actually can be scored as a winning day for producers with the \$US rallying sharply on a friendly jobs report. This past week the \$US has had some tremendous influence on daily grain price movements. Soybeans failed to hold positive territory though with meal lower, South American weather looking good as their crop is finishing up, and rumors that Mexico has purchased a cargo of soybeans from Brazil.

For the week, Friday to Friday, March Corn up \$.15 ¾, March Soybeans, up \$.12 ½, March KC Wheat up \$.21 ½, March Chicago Wheat up \$.24 ¼.

Crop Report Estimates: Report will be released Tuesday at 11:00 AM CST.
US 2014/2015 Ending Stocks (MBU)

	Wheat	Corn	Soybeans
Average Trade Estimate	689	1,879	398
Highest Trade Estimate	730	2,002	440
Lowest Trade Estimate	595	1,817	356
USDA January	687	1,877	410

World 2014/2015 Ending Stocks (MMT)

	Wheat	Corn	Soybeans
Average Trade Estimate	195.83	189.28	90.44
Highest Trade Estimate	197.00	190.93	91.53
Lowest Trade Estimate	191.40	187.60	88.75
USDA January	196.00	189.15	90.78

World 2014/15 Crop Production (MMT)

	Arg Corn	Arg Soy	Brazil Corn	Brazil Soy
Average Trade Estimate	22.54	55.58	74.56	94.67
Highest Trade Estimate	28.50	59.50	76.00	96.50
Lowest Trade Estimate	21.20	54.40	72.80	93.00
USDA January	22.00	55.00	75.00	95.50

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Overnight grains were under some light pressure with corn and soybeans finishing down 1 and wheat down 1 to 3.

USDA announced this morning a sale of 120,000 MT or 4.4 MBU of soybeans to China for this marketing year.

Export inspections met expectations for the week ending 2/5/15. Soybeans shipped equaled 54.6 MBU with China taking over 37 MBU or 68% of the total. Corn totaled 27.6 MBU and shipments are now only 14 MBU ahead of last year's pace. Wheat shipments totaled 14.6 MBU with 1 cargo shipped to China. Year to date shipments equal 571.1 MBU compared to shipments of 827.6 MBU a year ago.

Soybeans will attract some additional producer selling if we get back to the magical \$10 mark. The March contract has resistance at that level and the 100 day moving average at \$10.05 with support at \$9.72 and the recent low at \$9.55. March corn has some strong support at \$3.79 and is having a heck of time topping \$3.88. Wheat charts look a little better now with uptrends holding so far both in KC and Chicago. The March KC contract will see some resistance in the \$5.78 to \$5.80 range and again at the \$6 level and for the March Chicago contract we should see some in the \$5.42 to \$5.47 range.

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