



Loewen and Associates

Commodity Consulting/Brokerage

Pete Loewen, Matt Hines

Doug Biswell, LaVell Winsor

866 341 6700

www.loewenassociates.com

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Morning Ag Markets

Matt Hines

Livestock futures finished the week mixed with mixed cash cattle and higher cash hogs throughout the week. Cash feedlot trade started out lower and was steady by Thursday with \$157 to \$158 live in KS, NE and IA. On Friday some trade in NE at \$254 on a dressed basis which is steady with a week ago averages as well but live trade picked up to mostly \$159 to \$160 with the late week strength in futures market supporting higher cash values. Calves and feeders were mostly lower last week at the sale barns but by the week's end we heard some steady to better numbers trading. The 500-650 lb range has been the top in the barns recently with those 650 lb supporting the CME feeder index as 750-850 lb have been reported lower. Beef prices continued to rally and with the West Coast ports open and running full, maybe we can get exports ramped back up as packers have slowed chainspeeds for the past few weeks.

REGIONAL WEIGHTED AVERAGE FEEDER STEER PRICES			
NORTH CENTRAL REGION			
Steers:	This Week	Last Week	Last Year
600-700 lbs	\$237.42	\$241.67	\$194.29
700-800 lbs	\$215.63	\$218.30	\$176.02
800-900 lbs	\$194.72	\$201.05	\$165.35
SOUTH CENTRAL REGION			
Steers:	This Week	Last Week	Last Year
500-600 lbs	\$262.38	\$266.52	\$205.02
600-700 lbs	\$230.50	\$235.51	\$183.19
700-800 lbs	\$206.54	\$212.05	\$168.81
SOUTHEAST REGION			
Steers:	This Week	Last Week	Last Year
400-500 lbs	\$275.89	\$279.64	\$209.09
500-600 lbs	\$247.85	\$258.29	\$190.58
600-700 lbs	\$219.39	\$225.42	\$175.26

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For the week, February Live Cattle up \$1.30, April up \$3.17, March Feeders up \$2.72, April Lean Hogs +\$.07.

Cattle slaughter from Friday estimated at 102,000 head, up 2,000 from a week ago but down 11,000 compared to a year ago. For the week, 523,000 head down 2,000 again from the week previous and down 47,000 from a year ago. Year to date we are now sitting 7% behind last year's pace.

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

Choice Cutout__247.58 +.55

Select Cutout__245.57 +.67

Feeder Index:__207.72 -.55

Hog slaughter from Friday estimated at 426,000 head, up 3,000 from a week ago and up 22,000 from a year ago. For the week, 2,262,000 head, down 18,000 from the week previous but up 120,000 compared to a year ago. Year to date totals are now 1.8% ahead of last year's pace.

Lean Index.__64.49 +1.11

Pork carcass cutout__70.51 +2.38

IA-S.MN direct avg__66.26 -.22

Opening calls this morning are steady to higher for both cattle and hog futures. Early cash calls are steady to \$1 higher as well. Last week, March feeders found some support around \$195 and continue to trade near the \$200 level with resistance up at \$205. April fats have a similar \$10 range with the midpoint at \$150.

Over in the grain pits, Friday was an up day, enough so to keep corn and wheat positive for the week as well. The soy complex continues to be the leader higher with Brazil's trucker strike still on going. The Brazil truck blockade continues to get a lot of press keeping trade concerned about slowing the export pace of beans, meal and corn. There are fewer issues today but there are still some 40-60 blockades across the country. Over the weekend, police starting cracking down on the blockades after violence erupted in multiple areas. There continues to be lot of stories about packing plants, car production plants and petrol stations all closed due to lack of supplies. Exporter say the issue is not creating any delays in vessel loading yet but could if this lasts into next week. There is a lot of talk of potential switching of cargos from Brazil to the US but there are no signs of

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this happening yet. There are almost 8 MMT of bean vessels in the lineup in Brazil so no one really expects to buy any new supplies until well out into late Apr and May.

For the week, March Corn down \$.00 $\frac{3}{4}$, March Soybeans up \$.31 $\frac{1}{2}$, March KC Wheat up \$.01 $\frac{1}{4}$, March Chicago Wheat up \$.07 $\frac{1}{4}$ and March Soybean Meal up \$6.20/Ton.

Overnight grains were mixed with corn down 1 to 2, soybeans up 1 to 2 and wheat 2 to 4 higher.

The insurance loan prices are established by the average for the month of Feb. Corn price this year will be \$4.15/BU vs \$4.61/BU last year. The soybean price will be \$9.73/BU vs \$11.35/BU last year. The 2015 spring wheat floor price will be at \$5.85/BU off 10% from last year's level. Producers continue to look at the yield exclusion part of the new farm bill that will allow some counties to drop the worst yields of the last 5 years. Those that can claim this exclusion can drop poor yields for 2012 and actually raise the base yields used to calculate insurance compensation.

Australia updated their crop production estimates with wheat for the 15/16 crop year now estimated at 24.39 MMT compared to 23.61 MMT produced in the 14/15 crop year.

Egypt purchased what is called local wheat announced this morning, 25,000 MT from Ukraine and 85,000 MT from Russia that had been stockpile in Egypt.

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www.loewenassociates.com

peteloewen@cox.net

matthines1@cox.net

866-341-6700

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