



**Loewen and Associates, Inc.**  
**Commodity Consulting/Brokerage**  
**Pete Loewen, Matt Hines, Doug Biswell,**  
**LaVell Winsor, Matt Burgener**  
**866 341 6700**  
**www.loewenassociates.com**

Date: May 12, 2015

The week started off on good footing for cattle market bulls, but ended yesterday's session in the dumps with live cattle futures down in the triple digits and feeders up strongly in the spot May contract, but down mildly on everything past that spot month. Hogs found a little bit of red ink as well.

The frustrating side of the trade was the fact both the CME Lean Hog and Feeder Cattle index quotes were up, beef and pork cutouts were strongly higher and cash at the feedlot level and over most of the reporting areas for hogs was up nicely as well. On the June Live Cattle chart the higher start and lower finish ended up leaving a bearish technical key reversal on the chart. Feeder cattle contracts somehow eluded that development though and actually made new recent highs at the peak in some of the deferred months before turning lower. So, after the dust cleared at the close the technicals in live cattle looked a little sour and the feeders still looked fairly decent. Hogs still look solid as well. I'm hoping last week's higher feedlot trade and product prices from yesterday can help nullify that reversal this week, but that's something we'll have to wait and watch develop.

Cattle slg. \_\_\_113,000 unch wa -2k ya  
Choice Cutout \_\_\_259.57 +1.45  
Select Cutout \_\_\_248.10 +1.28  
Feeder Index: \_\_\_219.26 +4.45  
Lean Index. \_\_\_77.98 +.84  
Pork cutout \_\_\_81.00 +1.43  
IA-S.MN direct avg \_\_\_80.06 +.89  
Hog slg. \_\_\_409,000 -16k wa +18k ya

In the grains, futures ended mildly lower in corn, soybeans and Chicago wheat, but fractionally higher in most of the KC wheat contracts. There really wasn't a lot of movement and not much for fresh news to trade either. We have a monthly S&D and crop production report today and crop conditions from yesterday after the close to talk about, so there is some volatility potential in today's action.

Copyright © Loewen and Associates, Inc.

**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

Highlights of the crop progress and condition report yesterday afternoon had corn planting at 75% done nationwide compared to 57% on average for this date. That was a 20 point advance from the previous week with the top 4 corn producing states being 88% done in Illinois, 83% in Iowa, 95% done in Minnesota and 76% complete in Nebraska. All those totals are well ahead of normal percentages. Emergence in corn is 29% compared to 24% on average.

Soybean planting progress was 31% complete up from 13% last week and 20% average. The one notable state on bean progress was Minnesota which usually has 17% of their bean crop in by now and they were listed at 70% done. That's a 38% increase from a week ago.

Winter wheat percentages of the crop headed in HRW wheat states had Kansas at 70% compared to 46% normally, Oklahoma at 96%, 10 points ahead of normal and Texas at 89%, 13 points ahead of average. Kansas temperatures in the month of April were in the top 1/3<sup>rd</sup> warmest of the last 100+ years, which explains somewhat how the crop sped up so much into early May. The dryness in April likely helped that along as well, which wasn't such a good thing...

Winter wheat crop condition nationwide was 1 point better in g/ex up to 44%. Last year it was 30% g/ex. Kansas was 27% g/ex, unchanged from last week, Nebraska 36% g/ex, up 1 point from last week, Oklahoma 38% g/ex, unchanged and Texas 57% g/ex, up 5% from last week!

The crop report comes out at 11 a.m. this morning and with it comes the first wheat production estimate of the year from NASS. HRW wheat production guesses are 830 mln bushels, up from 738 last year, SRW at 422 mln down from 455 last year and white wheat estimated at 207 mln up from 184 last year. All wheat is pegged at 2.078 bln, up mildly from last year.

Ending stocks forecasts domestically on old crop are projected mildly higher in corn, slightly lower beans and up in wheat. New crop stocks guesses are 1.736 bln corn, 438 mln beans and 727 mln wheat. World ending stocks for old crop are projected higher in everything. World new crop stocks are expected to decline mildly in corn and wheat and grow considerably in soybeans.

**Pete Loewen**

**Loewen and Associates, Inc.**

**Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor / Matt Burgener**

[www.loewenassociates.com](http://www.loewenassociates.com)

[peteloewen@cox.net](mailto:peteloewen@cox.net)

**866 341 6700**

Copyright © Loewen and Associates, Inc.

**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**