



Date: 5.19.15

## **Loewen and Associates**

***Commodity Consulting/Brokerage***

**Pete Loewen, Matt Hines, Doug Biswell,**

**LaVell Winsor, Matt Burgener**

**866 341 6700**

**www.loewenassociates.com**

### **Morning Ag Markets**

**Matt Hines**

Livestock futures were under selling pressure all day Monday with bear spreads leading the market lower. Selling the fronts and buying the backs was the theme of the day yesterday not only in the cattle but also in the hogs on general ideas that cash livestock and meat markets are going to back off this week and next now that the largest majority of Memorial Day business is completed.

Early reports from southern sale barns still seeing steady to higher prices paid for feeders and calves. OKC reported feeder steers and heifers steady to \$3 higher but also stated that producers are still having a hard time getting into pastures to gather and ship cattle due to the heavy rains. For the first time since July 2012, neither Texas nor Oklahoma have any areas reported in the exceptional drought category. In Joplin compared to last week, steer calves under 500 lbs steady to \$5 higher, 500 to 800 lbs steady, over 800 lbs \$1 to \$3 higher. Heifers under 700 lbs \$3 to \$6 higher, over 700 lbs steady to \$3 higher. Demand for calves and yearlings remains strong.

The latest on the US bird flu epidemic is well over 35 million birds culled to date in 15 states. Nebraska and South Dakota reported positive tests last week to become the 16<sup>th</sup> and 17<sup>th</sup> states with the virus. One report has indicated that total egg production is off 10% already.

The World Trade Organization upheld a complaint by Canada and Mexico about U.S. laws requiring retailers to label meat with the country where the animal was born, raised and slaughtered, saying they illegally discriminated against imported livestock. Canada and Mexico are readying trade sanctions against the United States after they won the meat labeling dispute on Monday, increasing pressure on the U.S. Congress to scrap the laws.

#### **IMPORTANT—PLEASE NOTE**

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.**

Cattle slaughter from Monday estimated at 114,000 head up 1,000 from a week ago but down 4,000 from a year ago.

Boxed beef cutout values higher on Choice and weak on Select on light demand and offerings.

Choice Cutout\_\_262.92 +.99

Select Cutout\_\_250.42 -.68

Feeder Index:\_\_219.55 -.85

Hog slaughter from Monday estimated at 423,000 head, up 14,000 from a week ago and up 41,000 from a year ago.

Lean Index.\_\_82.06 +.39

Pork carcass cutout\_\_84.39 +.91

IA-S.MN direct avg\_\_81.40 -.45

National Average\_\_79.80 -.83

June live cattle broke below the 10 day moving average but settle right above it Monday. We set a new recent high last week at \$154.97 and additional resistance is up in the \$158 area. Feeders are still trying to top the \$220 area meeting strong resistance there. June hogs broke below the 10 day moving average for the first time in a month with support now in the \$81 area.

\*\*\*\*\*

Over in the grains, wheat futures became the leader higher again with funds continuing to liquidate their massive net short positions. It is estimated that they have covered 25-30,000 shorts over the past 3 trading sessions. The weather has them spooked with excessive rains to continue in the Southern Plains and freeze concerns north over the weekend with some calling for temps down 25-30 degrees again as far south as the South Dakota-Nebraska border over the next few nights.

Crop Progress and Conditions - 5/18/15

US Corn Planted at 85%, expected 85% to 90%, 75% last week, 71% last year and 75% 5-year average pace.

Emergence at 56%, 29% last week, 32% last year and 40% 5-year average.

The first corn crop conditions should be released next week.

#### IMPORTANT—PLEASE NOTE

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.**

US Soybeans Planted at 45%, expected 50% to 55%, 31% last week, 31% last year and 36% 5-year average.

Emergence at 13%, 8% last year and 12% 5-year average.

US Grain Sorghum Planted at 38%, 32% last week, 39% last year, and 38% 5-year average

Spring Wheat Planted at 94%, 87% last week, 47% last year and 65% 5-year average

Emergence at 67%, 54% last week, 22% last year and 38% 5-year average.

Spring wheat conditions released for the first time this year at 65% good to excellent and only 4% poor to very poor.

Winter Wheat Headed at 68%, 56% last week, 55% last year and 56% 5-year average

Winter Wheat Conditions, good to excellent +1% at 45% while poor to very poor -1% at 19%

Hard wheat states were up 1% at 40% good to excellent while soft wheat states were up 1% at 65% good to excellent.

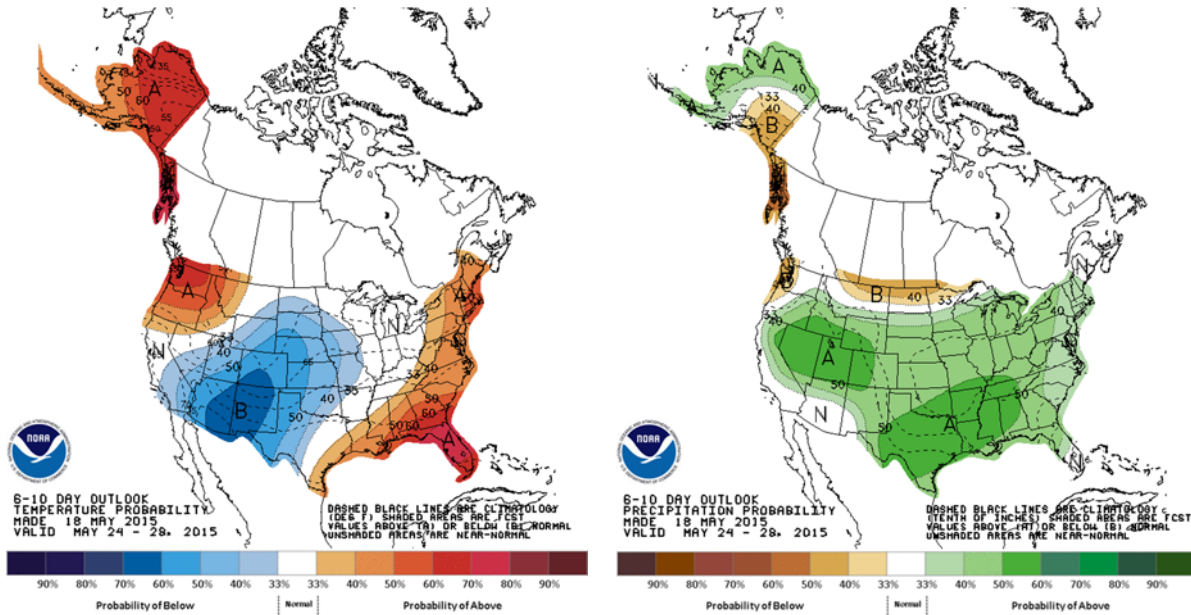
Overnight grains have turned around with overnight lows not as bad as forecasted and good progress last week for both corn and soybeans. KC wheat finished 8 to 9 lower with Chicago 10 to 11 lower, corn and soybeans both 3 to 4 lower.

Some good news with USDA announced this morning a private sale of 132,000 MT or 4.85 MBU of old crop soybeans to China. Strikes in Argentina continue at some crushers and ports and reportedly are spreading to additional regions of the country as the labor ministry continues to negotiate with labor unions.

#### IMPORTANT—PLEASE NOTE

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.**

The 6-10 maps continue with normal to below normal temps and above normal precipitation.



Corn futures carved out a bottom in the \$3.60 area on the July contract and is hitting some strong resistance at \$3.70 the past few days. The December contract has a little wider range with the recent lows around \$3.72 and resistance at \$3.89. Soybeans are sitting right at recent lows with contract lows down at \$9.36 ½ for July and \$9.31 ¾ for November. Wheat on the other hand has rallied some \$.50+ cents this month. July KC has retraced above the 62% line so far trying to get back to the \$5.93 high in early April. Support is at \$5.40. The July Chicago contract is eyeing the \$5.40 resistance area from the past 3 months with support at \$5.10.

### **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)

[matthines1@cox.net](mailto:matthines1@cox.net)

**866-341-6700**

### **IMPORTANT—PLEASE NOTE**

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.**