



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

Date: September 8th, 2015

Meat complex futures were under pressure most of the day on Friday with hogs settling mildly lower and live and feeder cattle contracts moderately active in their losses. Cash trade in the beef complex had yearling calves trading steady to \$3 higher overall for the week. Younger calves were steady to \$5 higher. Southeast US calf market trade was weak to \$3.00 lower. Negotiated cash feedlot trade showed Nebraska sales at \$143 to instances of \$143.50. That trade is \$1.00-\$4.00 lower than the previous week. Kansas sales were reported at \$143 as well, which is \$3.00 lower. Cash hog trade in the Iowa-S. Mn carcass quote was down \$4.47 for the week. Product trade in the beef showed choice cutout quotes losing \$3.15. Pork cutouts were up \$.78.

Beef demand continues to struggle on the domestic front, primarily because of significant price advantages held by both the pork and poultry markets. In the export trade, demand was lagging for all product in July. A lot of that has to do with the strong dollar being a deterrent to foreign buyers. However, high priced US beef is struggling a lot harder than pork. Export of US beef in the month of July were down 10% from a year ago, making it the smallest July total since 2010. Pork exports by volume were down 4% from a year ago and the smallest since January of this year. Overall for the year though, pork isn't struggling in export channels at all compared to beef. That's another strong emphasis point on why I still view hogs as being undervalued versus cattle. The spread isn't nearly as wide as it was a year ago, yet it's still significantly outside of normal historical price relationship levels. Good reason to remain somewhat optimistic on lean hog futures and have a small pessimistic bias on cattle.

Cattle slg. ___108k fri wtd 556k +11k wa +33k ya

Choice Cutout ___240.07 -.74

Select Cutout ___228.39 -.05

Feeder Index: ___207.82 +.11

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.**

Lean Index.__75.54 -.85

Pork cutout__85.31 +.06

IA-S.MN direct avg__67.73 -.69

Hog slg.__401k fri wtd 2.171 mln -43k wa +393k ya

Weekly closes in the meats had the October live cattle down 3.50, December live cattle down 3.27, September feeder cattle down 1.05, October down 3.22, October lean hogs up 2.72 and December lean hogs up 1.30.

Grain and oilseed futures had an overall weak tone most of the week, just like cattle. A lot of the pressure came from continued spillover from another wild ride in outside markets like the equities, currencies and energy markets. Scared money generally leads to a higher tendency to sell or liquidate than buy, which is why it would be a lot easier on all the ags if there wasn't so much craziness going on in some of these peripheral markets.

Commitment of Traders data from Sept 1 that includes options indicated index funds in mild liquidation of net longs in corn, soybeans and wheat. Managed money increased corn longs and added to soybean short positions.

6-10 day forecasts released last night showed above normal temps from the High Plains all the way through the West Coast as well as the East Coast. Corn Belt temps were normal with a small pocket of below normal in southern areas down through the Delta. Precip was below normal through most of the major crop areas.

With Monday being a market holiday, all of the USDA report data like export sales, inspections and crop progress have been delayed one day. We get the September Crop Production and S&D reports on Friday. This afternoon's crop condition data is expected to show both corn and soybean conditions declining 1-2 points out of g/ex. We'll talk about report estimates later this week.

8:00 am export reporting had 120k tonnes of new crop soybeans sold to unknown destination and 120k tonnes of new crop corn sold to Mexico. This week's export sales data which comes out Friday should show giant soybean sales because of all the daily activity last week.

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.**

Weekly closes in the grains had December corn down 12 cents, November soybeans down 19 cents, December Chicago wheat down 16 cents, December KC wheat down 8 ¾ and new crop July KC Wheat down 10.

Pete Loewen

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com

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.**