



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

**Matt Hines**

Cattle futures had a nice turnaround Tuesday after finishing limit lower on Monday. It did take all day for both fats and feeders to climb out the red though as some short covering took place. USDA did report over 3,000 head of fat cattle sold in Colorado marked at \$125 live, \$5 lower than last week's limited test, and 278 head in Iowa sold at \$127 live and \$197 dressed. Right now, most are still holding out hope for steady money but we could easily see \$1-\$2 lower by the week's end. June lean hogs expired yesterday -15 @ 81.67. July and August though continued sharply higher, August even breached the \$90 mark.

Oklahoma National Stockyards - Oklahoma City, OK - Close

Feeder Cattle Weighted Average Report for 06/13/2016

Actual Receipts: 9,942 Last Monday: 6,115 Year Ago Monday: 7,323

Compared to last week: Feeder cattle market very uneven. Feeder steers and heifers under 800 lbs 2.00-6.00 lower; over 800 lbs mostly steady. Demand moderate to good for feeders, despite the sharply lower cattle futures. Steer and heifer calves not well tested but a lower undertone noted on most weights. Calf numbers included several un-weaned calves and these sold to very limited demand. Quality plain to average with several summer type feeding cattle included. Feeder cattle in medium to fleshy conditions. Heavy rains fell in some areas over the weekend and other spots only saw high heat and humidity. This brought combines to a halt as wheat harvest is in full strength across the state. Supply included 84 percent over 600 lbs; 40 percent heifers.

Tulsa Livestock Auction - Tulsa, Oklahoma

Feeder Cattle Weighted Average Report for 06/13/2016

Receipts: 2169 Last Week: 3003 Year Ago: 3246

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Compared to last week: Steers 9.00-14.00 lower. Heifers 6.00-10.00 lower. Demand moderate. Quality plain. Supply includes 32 percent over 600 lbs and 37 percent heifers.

Joplin Regional Stockyards - Carthage, MO

Feeder Cattle Auction Report for 6/13/2016

Receipts: 5,465 Week ago: 9,109 Year ago: 4,510

Compared to last week, steer and heifer calves 8.00 to 12.00 lower. Yearlings 3.00 to 7.00 lower. Demand moderate to light, supply moderate.

Cattle slaughter from Tuesday estimated at 113,000 head, even with a week ago and year ago.

Hog slaughter from Tuesday estimated at 428,000 head, down 4,000 from a week ago but up 5,000 from a year ago.

Boxed beef cutout values higher to sharply higher on light moderate demand and offerings for a total of 138 loads sold.

Choice Cutout\_\_228.34 +.78

Select Cutout\_\_204.07 +2.08

Feeder Index:\_\_147.80 -.95

Lean Index.\_\_81.10 +.33

Pork carcass cutout\_\_87.83 +.54

IA-S.MN direct avg\_\_79.69 unchanged

National Average\_\_79.11 +.81

June live cattle dropped down in the \$116 area yesterday near the May lows with the contract lows back in from April down at \$113.90. Resistance will be in the mid \$121 to \$122 area now with the highs from earlier this month up at \$123.75. August feeders could not push through the \$148 to \$148.50 tops last week and found support again yesterday at \$140 with the contract low down at \$138.10. July and August lean hogs pushed to new contract highs again yesterday with support right around \$86 for both contracts now.

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Over in the grains, the July weather market here in June continues. The weather forecast continues to show the potential for hotter and dryer weather in the extended forecast, but rains working through in the near term. It first appeared that all grains were looking to stay lower for the day but by midday corn caught

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fire testing recent highs. The N/C December contract even went 1 tick above the highs from last summer. Corn seems to have taken the lead now from soybeans as beans can withstand some heat early so long as rains come in July and August. The extended forecasts calling for hot and dry weather though could hit some corn areas in the South as corn pollination begins. The acreage switch from corn to soybeans is getting more chatter as well as we approach the June 30<sup>th</sup> acreage update report by USDA. KC wheat was pulled off its lows and soybeans came back from 20 lower but still finished steady to lower for the day.

Overnight, grains were choppy trading both sides of unchanged balancing between recent rains over the Corn Belt and the forecasted heat coming in next. Corn finished 1 to 2 higher, soybeans 4 to 5 higher and wheat 3 to 4 higher.

Very spotty rain yesterday and overnight throughout the Midwest. Over the next 7 days, rainfall amounts are limited to ½ to 1 inch from the western corn belt, but 1 to 2 inches wrapping around from ND into OH and down into the Gulf States. The 6-10 day outlook shows normal to above normal precipitation for the Midwest with below normal in the NW and Southern states and normal to above normal temps for the entire US.

July corn has been range bound from \$4.20 to \$4.40 here recently with the sharp uptrend still holding from early May. The December contract reached past last summer's high and should lead to test of the \$4.50 mark with support down at \$4.30. July soybeans broke the \$12 barrier last Friday but have fallen back into support areas. The November contract cleared the \$11.65 contract high back from June 2014 had topped out at \$11.86 on Monday pulling back to the \$11.40 support area since. HRW is under some harvest pressure now but trying to hold support in the \$4.50 to \$4.55 range with the July KC contract low down at \$4.41 ¼. July Chicago wheat has support at \$4.80 with the contract low down at \$4.49 ½.

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