



Loewen and Associates

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700**

www.loewenassociates.com

Date: June 19th, 2017

Morning Ag Markets

Matt Hines

On Tuesday live sales in Kansas traded \$4 to \$7 lower than week previous from \$130 to \$134, with a few live sales reported on Wednesday down to \$128 to \$130 and Nebraska dressed sales at \$200 to \$215, \$5 to \$18 lower than a week ago. Cash bids got weaker as the week went on and there were near 6,000 head sold on Friday in Nebraska at the 200.00 level. Kansas reported some business at \$127.00, \$10.00 lower than last week's weighted average.

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 06/16/2017

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	146,700	32,500	200	179,400
This Week	177,700	68,000	30,700	276,400
Last Year	124,000	20,100	83,000	227,100

Compared to last week, steers and heifers sold 5.00 to 10.00 lower. Many market reports throughout the Plains states noted rising temperatures affecting the receipts as is typical for this time of year. Receipts start curtailing through June, a few auctions will start back up in July and into August. Many sales go to summer schedules with sales every two or three weeks. Feedyard pen space is almost getting to a premium now after the large supplies of feeders going through the marketplace in the last 45-60 days. A hefty price of 140.10 was paid for a load of 1006 lb steers in St Joseph, MO on Wednesday. In addition, two and a half loads of their little brothers weighing 914 lbs sold at 151.10. The good old adage of "what goes up, must come down" is a great descriptor for this week. After moving upward from late May through early June, CME cattle futures and fed cattle prices took a swan dive turning south this week, starting Monday with sharp losses and continuing through the mid-week.

For the week, Friday June 9th to Friday June 16th, June Live Cattle -\$9.55, August - \$5.67, August Feeder Cattle -\$6.30, September -\$6.27, June Lean Hogs +\$1.77,

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.**

July +\$.35. Boxed Beef Choice -\$1.37 at \$249.84, Select -\$0.49 at \$219.80, Pork Carcass Cutout +\$3.18 at \$95.63.

Cattle slaughter from Friday is estimated at 118,000 head, up 1,000 from a week ago and up 6,000 compared to a year ago. For the week, 628,000 head, up 6,000 from the week previous and up 22,000 compared to a year ago.

Hog slaughter from Friday is estimated at 417,000 head, up 5,000 from a week ago but down 3,000 compared to a year ago. For the week, 2,179,000 head, down 13,000 from the week previous but up 27,000 compared to a year ago.

Boxed beef cutout values steady to weak on moderate demand and offerings for a total of 102 loads sold.

Choice Cutout__249.84 +.10, -1.37 for the week

Select Cutout__219.80 -.73, -.49 for the week

CME Feeder Index:__151.07 -1.66

CME Lean Hog Index.__84.06 -1.13

Pork Carcass Cutout__95.63 +.73

IA-S.MN Wtd Avg Carcass Base__85.32 +.60

National average Wtd Avg Carcass Base__84.72 +.75

August live cattle off almost \$10 from the high earlier this month, finding support the end last week in the \$117 area, below that we are looking near \$110. August feeders off \$15 from their high, support at \$145. August lean hogs also off sharply this month with support at \$77.

Over in the grains, some weather premium was added in heading into the weekend with wheat still the price leader higher. Again, it is the lack of quality or protein that has kicked in. I have seen basis levels jump \$.50 since Thursday and protein scales starting at 12% with +.30 up to 13% and -\$0.50 down to 11%.

For the week, Friday June 9th to Friday June 16th, July Corn -\$0.03 ¾, December -\$0.04, July Soybeans -\$0.02 ½, November +\$0.01 ¾, July KC Wheat +\$.22, September +\$.22 ¼, July Chicago Wheat +\$.19 ½, September +\$.21 ½, July MPLS Wheat +\$.36 ¼, September +\$.36.

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.**

Grain markets were mixed overnight. Corn under pressure, finishing 4 lower, with the rains over the weekend and extended weather forecasts are less threatening. Soybeans finished 2 higher and wheat 2 to 5 higher.

The trade will be looking for the USDA to show Corn rated 67% to 69% good to excellent in this afternoons report. This will compare with 67% last week, 75% last year and 71% average. Soybean conditions 66% to 68% good to excellent vs. 66% last week, 73% last year and 66% average for this date.

Other news is fairly quiet as we start this week, discussion between the Canadian, Mexican agricultural ministers and USDA Secretary Perdue begin tomorrow in Savannah, GA. We are still waiting for the EPA to finally issue their 2018 "RVO", or proposed biofuel mandate targets, hopes for this last week but it may coincide with Pres. Trump's speech in Iowa on Wednesday.

Weather forecasts are looking favorable for the Midwest and ECB with 2+ inches over this next week but the WCB still very light. The SE and East Coast look to get 4+ inches. The latest 6-10 day outlook shows above normal precipitation South and East with normal to below normal for the North and West. Temperatures are forecasted below normal North and above normal West and SE.

July corn still trending higher but unable to build off the spike high on June 8th. The December contract pushed through for a new 11-month high at \$4.09 on that day and still holding a higher trend with support at \$3.90. July soybeans holding near \$9.40 with November near \$9.50, support for both at \$9.30. July KC wheat breaking above the early May high now looking for a test of the \$4.90 to \$5 area. July Chicago wheat a very similar look to KC technically just about a dime lower and would need to break \$4.80 for additional upside momentum. MPLS spring wheat has taken out the recent highs from February and the highs from the summer of 2015. The next area to test is \$6.70 to \$6.80.

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com pete@loewenassociates.com matt@loewenassociates.com

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.**