



LOEWEN AND ASSOCIATES, INC

**AG PRICE RISK MANAGEMENT CONSULTING
COMMODITY FUTURES BROKERAGE**

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Risk Management & Profitability

- The challenge to making money and being profitable in any industry is 2 fold...
 - First you have to maximize production and minimize cost.
 - Second, you have to know how to manage price risk in an effort to maximize your return on investment.
- We expect you are an expert or are making every effort to become one on the production and cost end.

This is a sales solicitation. There is a substantial risk of loss in trading futures and options. Past performance is not necessarily indicative of future results.

Two Segments of Risk Management

- 1) Price Forecasting
 - Fundamental Analysis
 - Technical Analysis
- 2) Marketing

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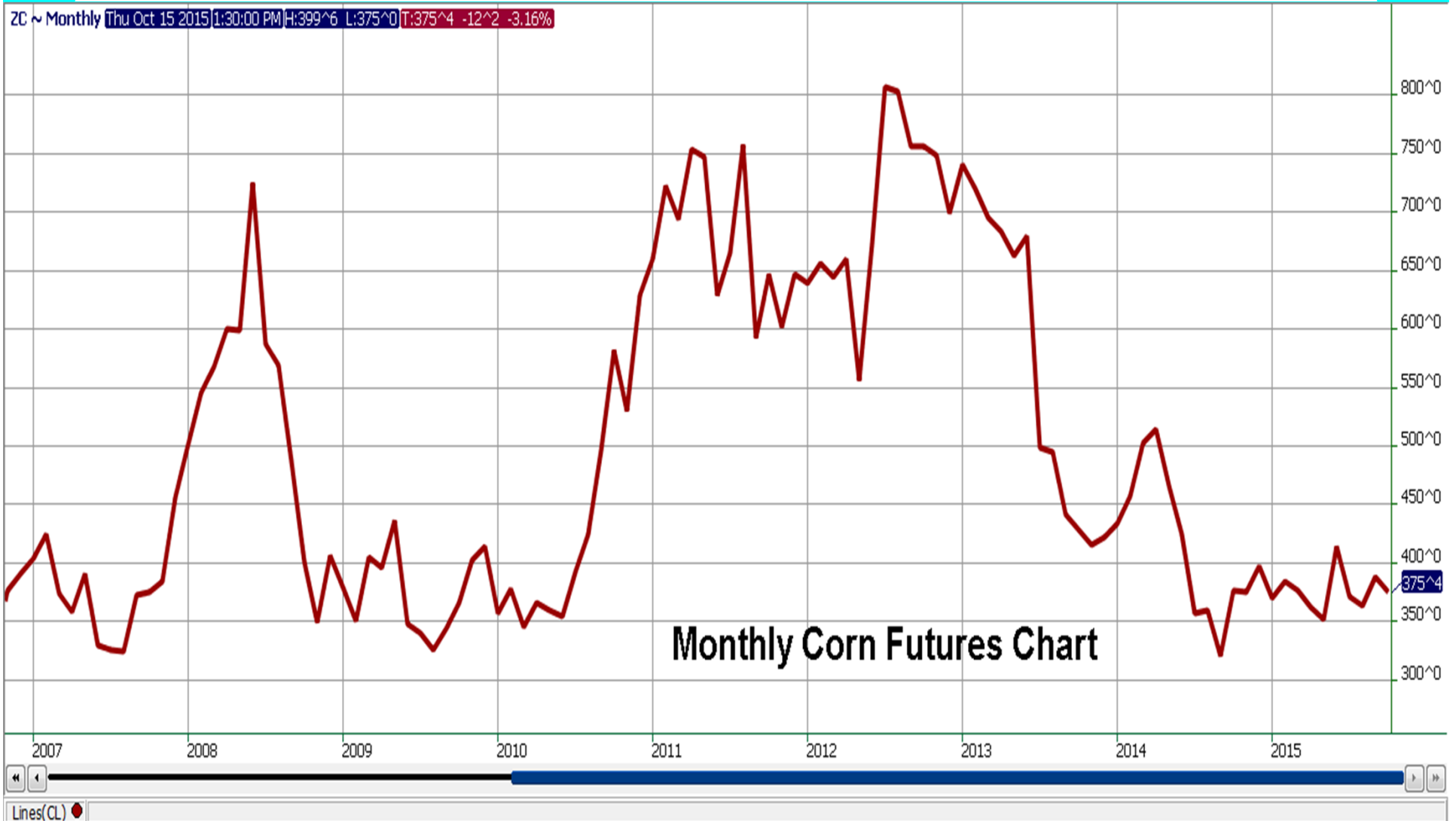
US CORN SUPPLY & DEMAND

Million Acres, Million Bushels

	13/14	14/15	15/16	15/16
			SEPT	OCT
Beg Stocks	821	1232	1732	1731
Production	13829	14216	13585	13555
Imports	36	32	30	30
Total Supply	14686	15479	15347	15316
Feed	5036	5317	5275	5275
Food & Seed	1367	1359	1380	1380
Ethanol	5134	5207	5250	5250
Export	1917	1864	1850	1850
Total Use	13454	13748	13755	13755
Ending Stocks	1232	1731	1592	1561
Stocks to Use %	9.16%	12.59%	11.58%	11.35%

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CORN FUTURES PRICE SINCE 2007



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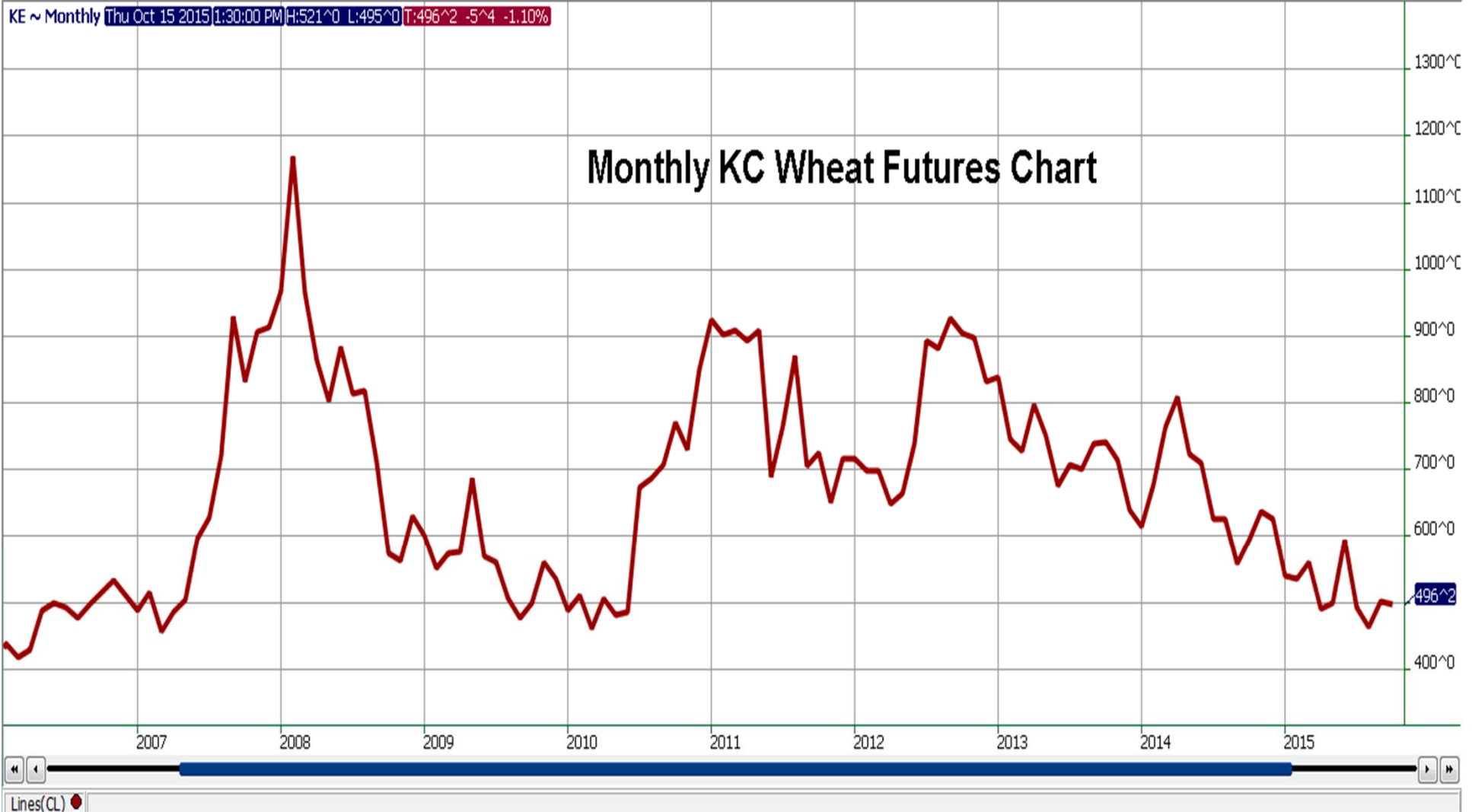
US WHEAT SUPPLY & DEMAND

Million Acres, Million Bushels

	13/14	14/15	15/16	15/16
			SEPT	OCT
Beg Stocks	718	590	753	753
Production	2135	2026	2136	2052
Imports	169	149	125	125
Total Supply	3021	2766	3014	2930
Food	952	958	967	967
Seed/Feed/Res	303	201	272	252
Exports	1176	854	900	850
Total Use	2431	2013	2139	2069
Ending Stocks	590	753	875	861
Stocks to Use %	24.25%	37.39%	40.90%	41.59%

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KC WHEAT FUTURES PRICE SINCE 2007



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WORLD WHEAT SUPPLY & DEMAND

	Production		Imports		Feed		Exports	
World	732.79		157.80		137.72		160.58	
US	55.84	7.62%	3.40	2.15%	4.90	3.56%	23.13	14.40%
Australia	27.00	3.68%	0.15	0.10%	3.90	2.83%	19.00	11.83%
Canada	26.00	3.55%	0.49	0.31%	3.80	2.76%	19.00	11.83%
EU	155.26	21.19%	6.00	3.80%	57.00	41.39%	33.00	20.55%
China	130.00	17.74%	2.50	1.58%	15.00	10.89%	1.00	0.62%
Sel Mideast	17.86	2.44%	20.60	13.05%	4.85	3.52%	0.83	0.52%
N. Africa	20.26	2.76%	25.60	16.22%	2.88	2.09%	0.65	0.40%
Pakistan	25.00	3.41%	0.10	0.06%	1.00	0.73%	0.60	0.37%
SE Asia	0.00	0.00%	19.43	12.31%	4.69	3.41%	0.96	0.60%
India	88.94	12.14%	0.80	0.51%	4.80	3.49%	0.50	0.31%
Russia	61.00	8.32%	0.35	0.22%	14.00	10.17%	23.50	14.63%
Ukraine	27.00	3.68%	0.05	0.03%	4.50	3.27%	15.00	9.34%

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WORLD CORN SUPPLY & DEMAND

	Production		Imports		Feed		Exports	
World	972.60		123.31		602.49		121.93	
US	344.31	35.40%	0.76	0.62%	133.99	22.24%	46.99	38.54%
Argentina	24.00	2.47%	0.01	0.01%	6.50	1.08%	14.50	11.89%
Brazil	80.00	8.23%	0.60	0.49%	50.00	8.30%	25.00	20.50%
S. Africa	13.50	1.39%	0.03	0.02%	5.50	0.91%	1.50	1.23%
EU	58.00	5.96%	16.00	12.98%	57.50	9.54%	1.00	0.82%
Japan	0.00	0.00%	14.80	12.00%	10.50	1.74%	0.00	0.00%
Mexico	23.50	2.42%	10.50	8.52%	17.20	2.85%	0.50	0.41%
SE Asia	28.16	2.90%	10.70	8.68%	30.30	5.03%	0.64	0.52%
S. Korea	0.08	0.01%	10.00	8.11%	8.00	1.33%	0.00	0.00%
China	225.00	23.13%	3.00	2.43%	157.00	26.06%	0.05	0.04%
Ukraine	25.00	2.57%	0.05	0.04%	7.00	1.16%	17.00	13.94%

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DECEMBER 2015 CORN

DECEMBER 2016 CORN

DECEMBER 2015 KC (HRW) WHEAT

DECEMBER 2016 KC (HRW) WHEAT

DECEMBER 2015 SOYBEAN OIL

HISTORICAL PALM OIL PRICES

EVERYTHING ELSE...

- WORLD WEATHER
- GLOBAL ECONOMIES (US\$ vs WORLD)
- FUNDS (MONEY IN/MONEY OUT)
- LOGISTICS
- DISEASE OUTBREAKS (US Avian Flu)
- SCIENCE AND TECH (ETHANOL, GMO'S)
- OTHER COMMODITIES (ENERGY, METALS, STOCKS)

Two Segments of Risk Management

- 1) Price Forecasting
 - Fundamental Analysis
 - Technical Analysis
- 2) Marketing
 - Merchandising
 - Basis/Carry/Inverse/Trans/Interest

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WHAT IS SUCCESSFUL MARKETING?

- Is successful marketing the ability to pick the high or the low?
- Is successful marketing the ability to pick the trend of the market?

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WHAT IS SUCCESSFUL MARKETING?

First, you have to decipher the difference between “Marketing” and “Price Forecasting”

Successful Marketing
is all about **choosing the right tools**

Choosing the right tool for marketing means choosing the tool that nets you the most dollars at the time of each purchase or sale!

- Basis only
- HTA
- Cash Contract

- Futures

CASH

- Purchase Put /
Call Options

- Advanced
Options
Strategies



Can You Find Any Flaws in This Crystal Ball?

Hard as you look, you won't find any. It is flawless! This is the world's largest flawless quartz sphere—weighing 48.5 kg (106.75 lb) and measuring 32.7 cm (12.9 in) in diameter.

LOEWEN & ASSOCIATES, INC.

- Ag Price Risk Management Consulting & Licensed Commodity Futures Brokerage
- Specialize in Grain and Livestock Producer to Commercial Education and Consulting
- We strive to build relationships with our customers and provide you with compressive education in marketing strategies, analysis of the ever changing market conditions and timely recommendations to improve your bottom line.



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