

PRICE RISK MANAGEMENT & PROFITABILITY

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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.
- I 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

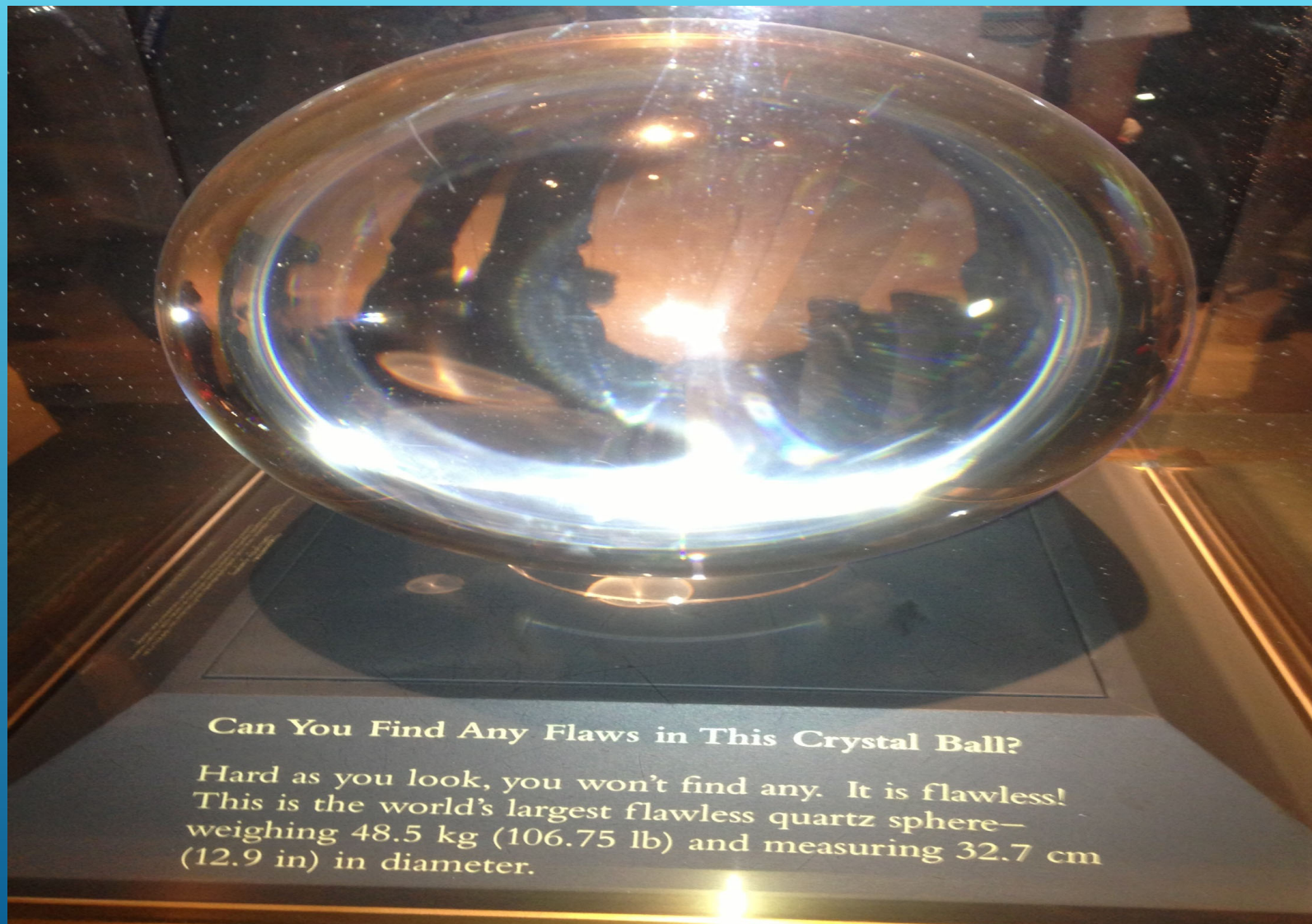
1)PRICE FORECASTING

- FUNDAMENTAL ANALYSIS
- TECHNICAL ANALYSIS

2)MARKETING

- MERCHANDISING
- BASIS/CARRY/INVERSE/TRANSPORT/INTEREST

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USDA WASDE	US CORN S & D		US SOYBEANS S & D		US WHEAT S & D	
	17/18	18/19	17/18	18/19	17/18	18/19
		Apr 9th		Apr 9th		Apr 9th
Planted	90.2	89.1	90.2	89.2	46.1	47.8
Harvested	82.7	81.7	89.5	88.1	37.6	39.6
% Harvested	91.69%	91.74%	99.22%	98.78%	81.56%	82.85%
Yield	176.6	176.4	49.3	51.6	46.4	47.6
Beg Stocks	2293	2140	302	438	1181	1099
Production	14609	14420	4412	4544	1741	1884
Imports	36	40	22	17	157	145
Total Supply	16939	16600	4735	4999	3079	3128
Feed/Res	5304	5300			51	70
Crush/Mill	1451	1465	2055	2100	964	965
Ethanol	5605	5500				
Seed/Res			113	129	63	62
Exports	2438	2300	2129	1875	901	945
Total Use	14799	14565	4297	4104	1980	2042
Ending Stocks	2140	2035	438	895	1099	1087
Stocks to Use %	14.5%	14.0%	10.2%	21.8%	55.5%	53.2%

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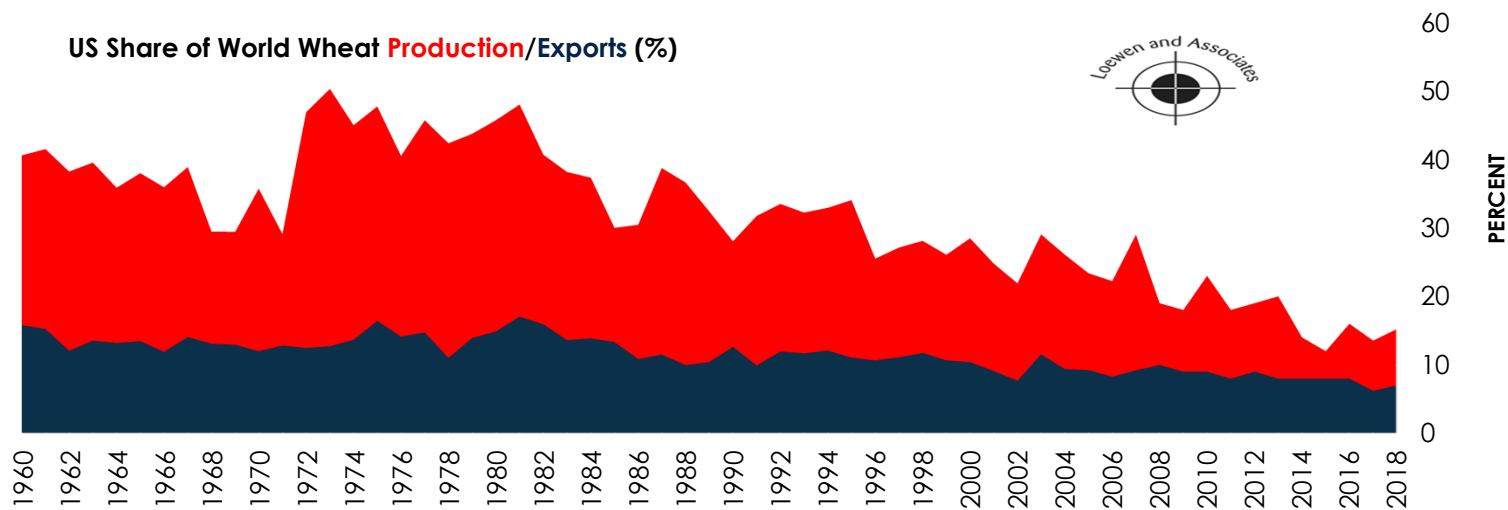
World Wheat Production & Trade (MMT & % of world total)

USDA WASDE

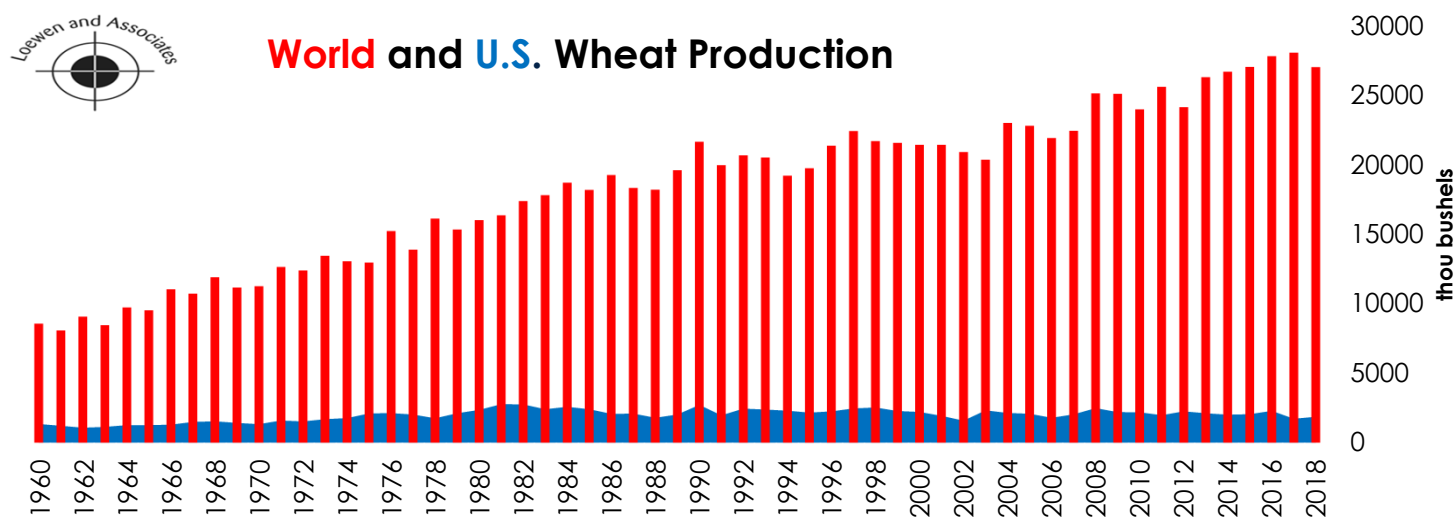
	Production		Imports		Exports		Domestic Use	
World	732.87		175.60		178.46		739.15	
US	51.29	7.00%	3.95	2.25%	25.72	14.41%	29.84	4.04%
Argentina	19.50	2.66%	0.01	0.01%	13.70	7.68%	5.70	0.77%
Australia	17.30	2.36%	0.15	0.09%	10.00	5.60%	9.20	1.24%
Canada	31.80	4.34%	0.45	0.26%	24.00	13.45%	9.30	1.26%
EU	137.60	18.78%	6.00	3.42%	24.00	13.45%	123.00	16.64%
Brazil	5.43	0.74%	7.50	4.27%	0.80	0.45%	12.10	1.64%
China	131.43	17.93%	3.50	1.99%	1.20	0.67%	125.00	16.91%
Sel Mideast	17.88	2.44%	17.55	9.99%	0.54	0.30%	37.84	5.12%
N. Africa	21.01	2.87%	27.00	15.38%	0.70	0.39%	46.18	6.25%
Pakistan	25.50	3.48%	0.01	0.01%	1.50	0.84%	25.30	3.42%
SE Asia	0.00	0.00%	26.20	14.92%	1.06	0.59%	25.64	3.47%
India	99.70	13.60%	0.10	0.06%	0.50	0.28%	95.00	12.85%
Russia	71.69	9.78%	0.50	0.28%	37.00	20.73%	40.50	5.48%
Kazakhstan	13.95	1.90%	0.06	0.03%	8.50	4.76%	6.60	0.89%
Ukraine	25.06	3.42%	0.06	0.03%	16.50	9.25%	8.70	1.18%

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US Share of World Wheat **Production**/Exports (%)



World and U.S. Wheat Production



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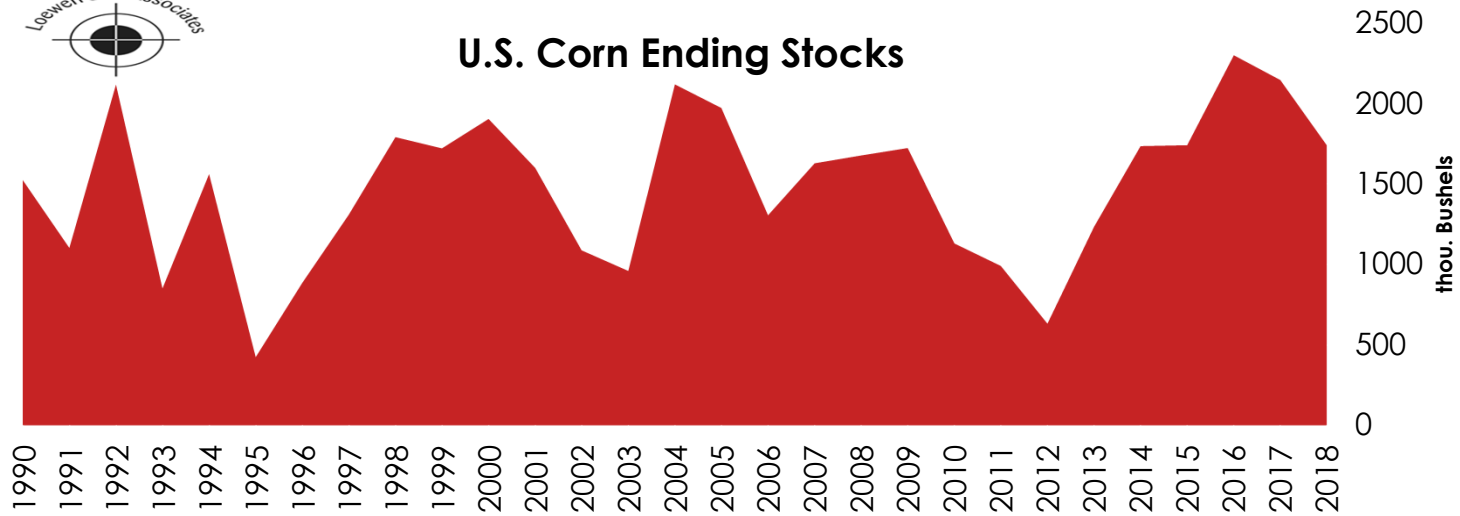
World Corn Production & Trade (MMT & % of world total) USDA WASDE

	Production		Imports		Exports		Feed	
World	1107.38		161.95		168.15		703.51	
US	366.29	33.08%	1.02	0.63%	58.42	34.74%	134.63	19.14%
Argentina	47.00	4.24%	0.01	0.01%	30.50	18.14%	9.70	1.38%
Brazil	96.00	8.67%	1.00	0.62%	31.00	18.44%	56.00	7.96%
S. Africa	11.00	0.99%	1.00	0.62%	1.00	0.59%	6.60	0.94%
Egypt	6.80	0.61%	9.70	5.99%	0.01	0.01%	13.70	1.95%
EU	63.00	5.69%	22.50	13.89%	2.00	1.19%	67.00	9.52%
Japan	0.00	0.00%	15.50	9.57%	0.00	0.00%	11.90	1.69%
Mexico	26.70	2.41%	16.70	10.31%	1.00	0.59%	25.50	3.62%
SE Asia	29.61	2.67%	16.40	10.13%	0.98	0.58%	37.10	5.27%
S. Korea	0.08	0.01%	10.20	6.30%	0.00	0.00%	8.00	1.14%
Canada	13.90	1.26%	1.70	1.05%	1.60	0.95%	8.80	1.25%
China	257.33	23.24%	5.00	3.09%	0.05	0.03%	198.00	28.14%
Ukraine	35.81	3.23%	0.03	0.02%	29.50	17.54%	4.80	0.68%

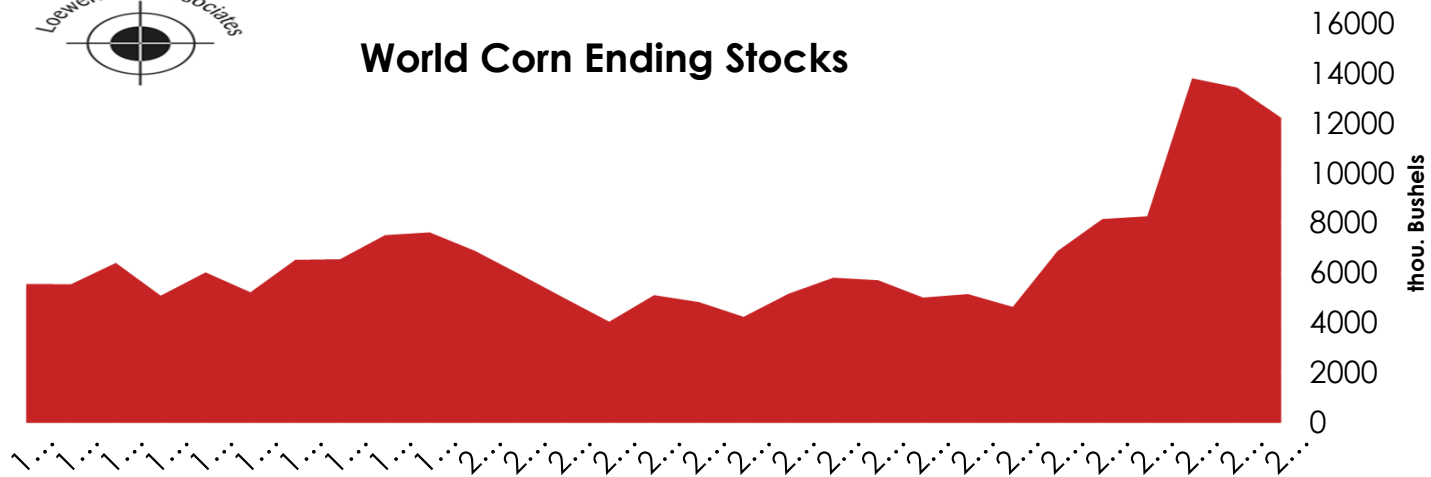
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U.S. Corn Ending Stocks



World Corn Ending Stocks



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World Soybean Production & Trade (MMT & % of world total) USDA WASDE

	Production		Imports		Crush		Exports	
World	360.58		151.18		303.79		154.33	
US	123.66	34.29%	0.46	0.30%	57.15	18.81%	51.03	33.07%
Argentina	55.00	15.25%	5.35	3.54%	43.00	14.15%	6.30	4.08%
Brazil	117.00	32.45%	0.25	0.17%	42.70	14.06%	79.50	51.51%
Paraguay	9.00	2.50%	0.01	0.01%	3.90	1.28%	5.60	3.63%
China	15.90	4.41%	88.00	58.21%	88.00	28.97%	0.10	0.06%
EU	2.70	0.75%	15.80	10.45%	16.60	5.46%	0.13	0.08%
Japan	0.21	0.06%	3.30	2.18%	2.40	0.79%	0.00	0.00%
Mexico	0.34	0.09%	5.23	3.46%	5.50	1.81%	0.00	0.00%

World Soybean Meal Prod & Exports (MMT & % of world total) USDA WASDE

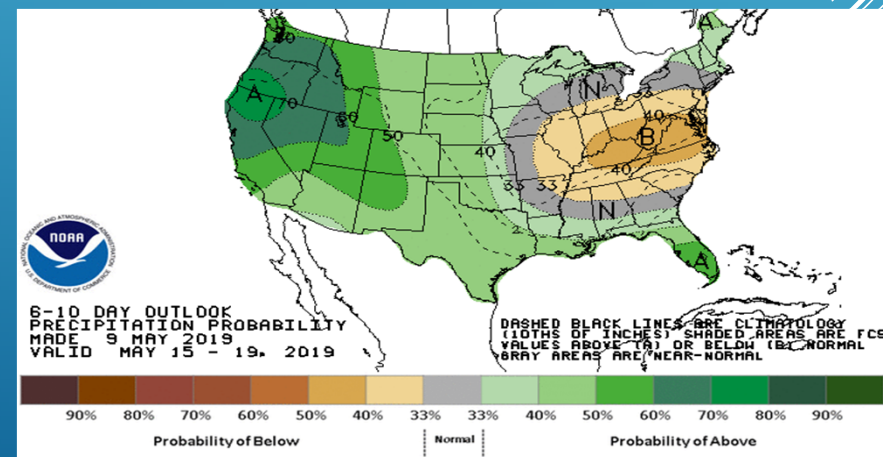
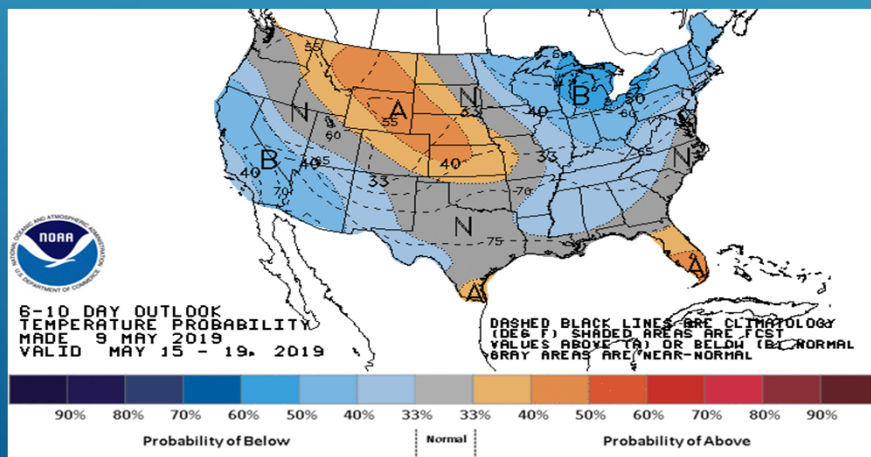
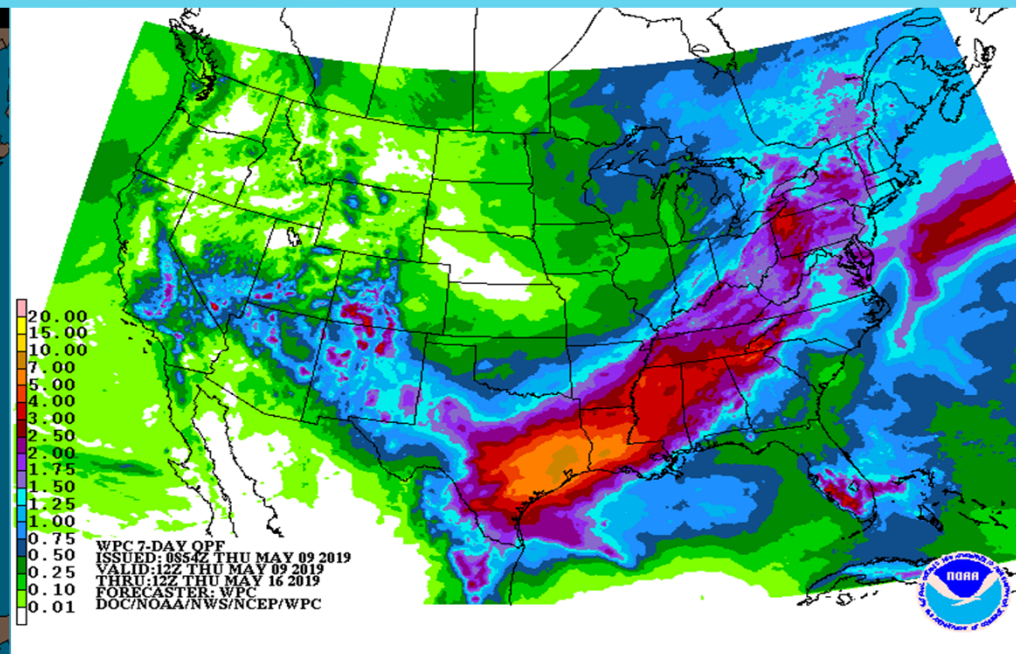
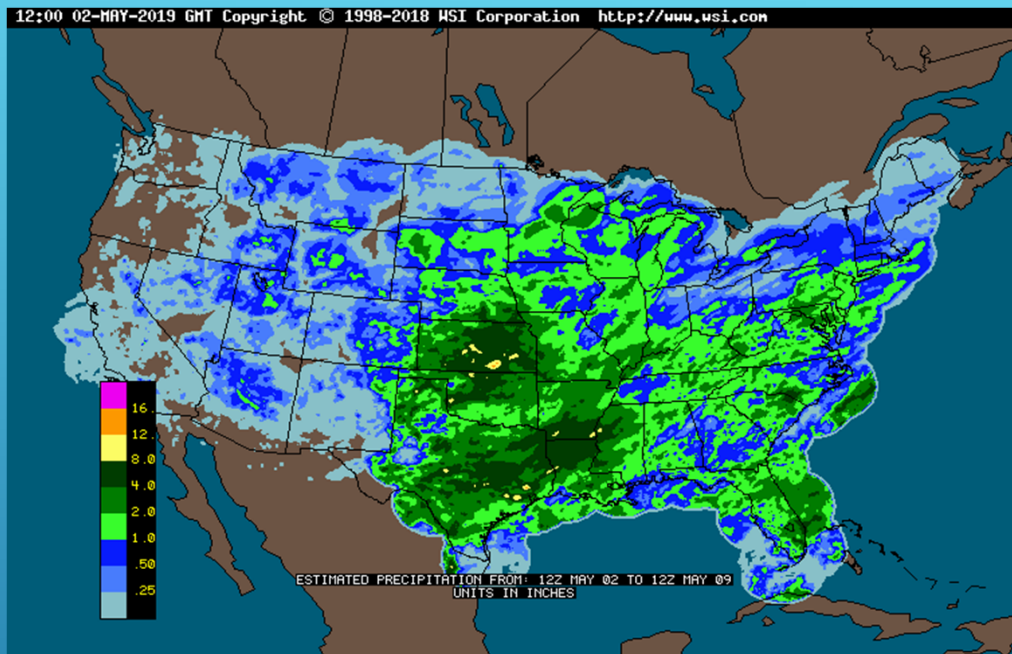
	Production						Exports	
World	238.10						66.79	
US	44.54	18.71%					12.47	18.67%
Argentina	32.80	13.78%					29.30	43.87%
Brazil	33.10	13.90%					15.70	23.51%

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U.S. Corn	Corn Planted		USDA NASS			
	1,000 A	% of Total	4/28/2019	4/21/2019	4/28/2018	5-YR AVG
IA	13,600	2,856	21%	4%	15%	26%
IL	11,200	1,008	9%	1%	28%	43%
NE	9,700	1,552	16%	2%	15%	23%
MN	8,000	160	2%	0%	0%	24%
SD	6,000	0	0%	0%	0%	11%
KS	5,700	1,767	31%	17%	25%	36%
IN	5,500	110	2%	1%	7%	17%
WI	4,050	162	4%	1%	3%	8%
ND	4,050	41	1%	0%	0%	7%
OH	3,500	70	2%	1%	1%	13%
MO	3,500	1,575	45%	16%	47%	55%
Total	74,800	9,301	12%	1%	13%	26%

U.S. Spring Wheat	Spring Wheat Planted		USDA NASS			
	1,000 A	% of Total	4/28/2019	4/21/2019	4/28/2018	5-YR AVG
ND	6,700	335	5%	0%	3%	21%
MT	2,600	598	23%	10%	5%	34%
MN	1,530	31	2%	0%	2%	33%
SD	1,020	82	8%	2%	11%	60%
ID	500	305	61%	40%	61%	71%
WA	480	250	52%	27%	72%	73%
Total	12,830	1,600	12%	2%	9%	32%

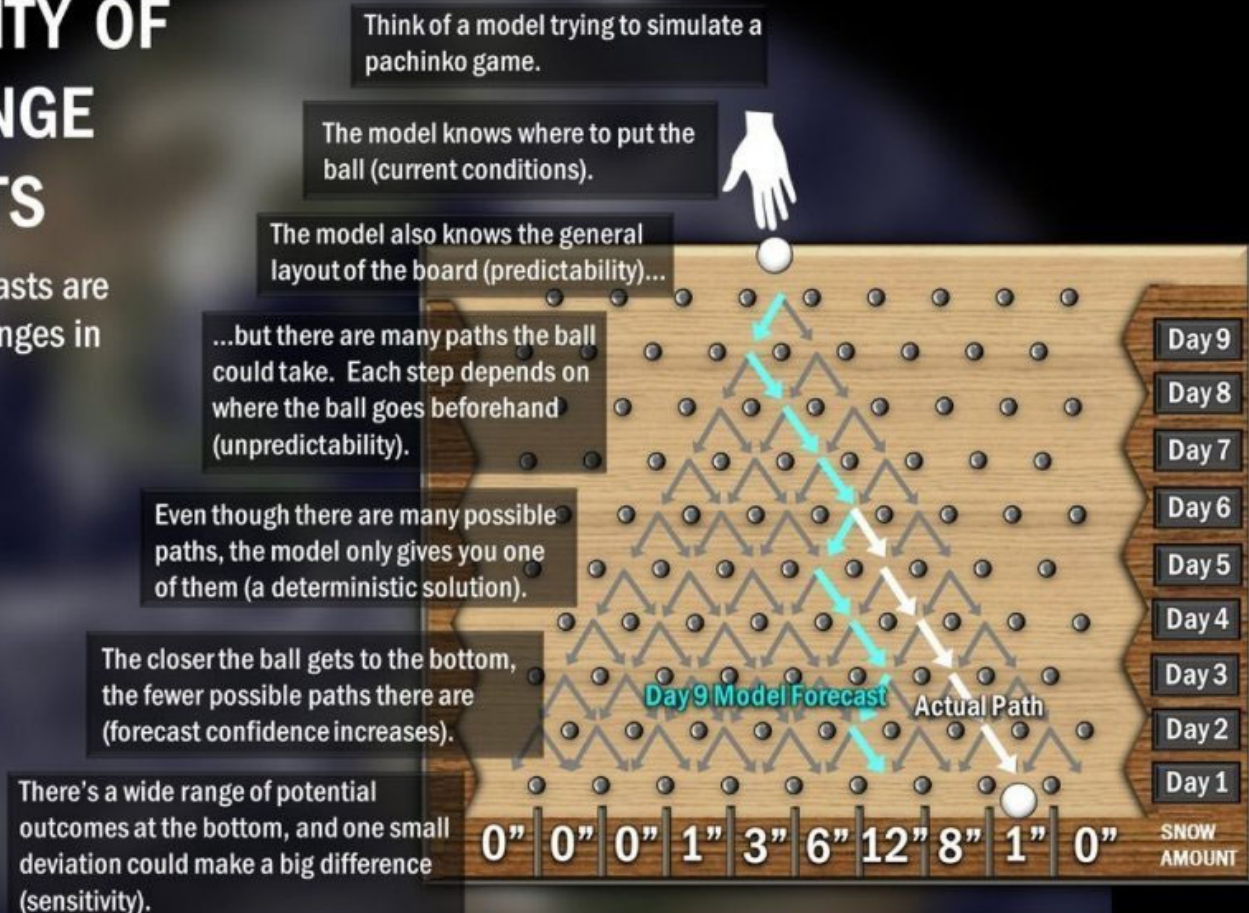
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THE REALITY OF LONG RANGE FORECASTS

Why detailed forecasts are not reliable long ranges in advance.



Would you trust the 9-day forecast in this example?



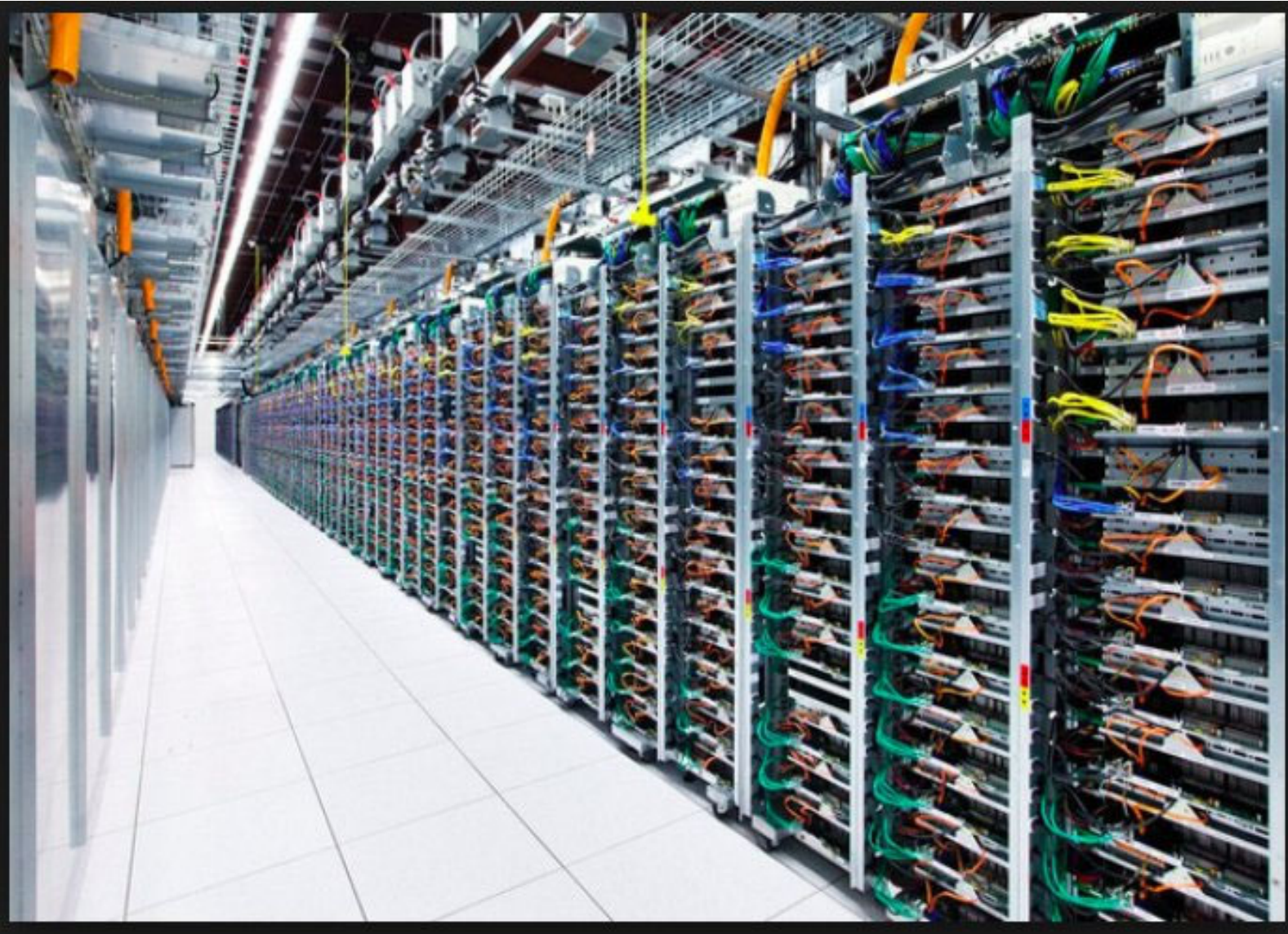
National Weather Service – Kansas City, MO

Building a Weather Ready Nation

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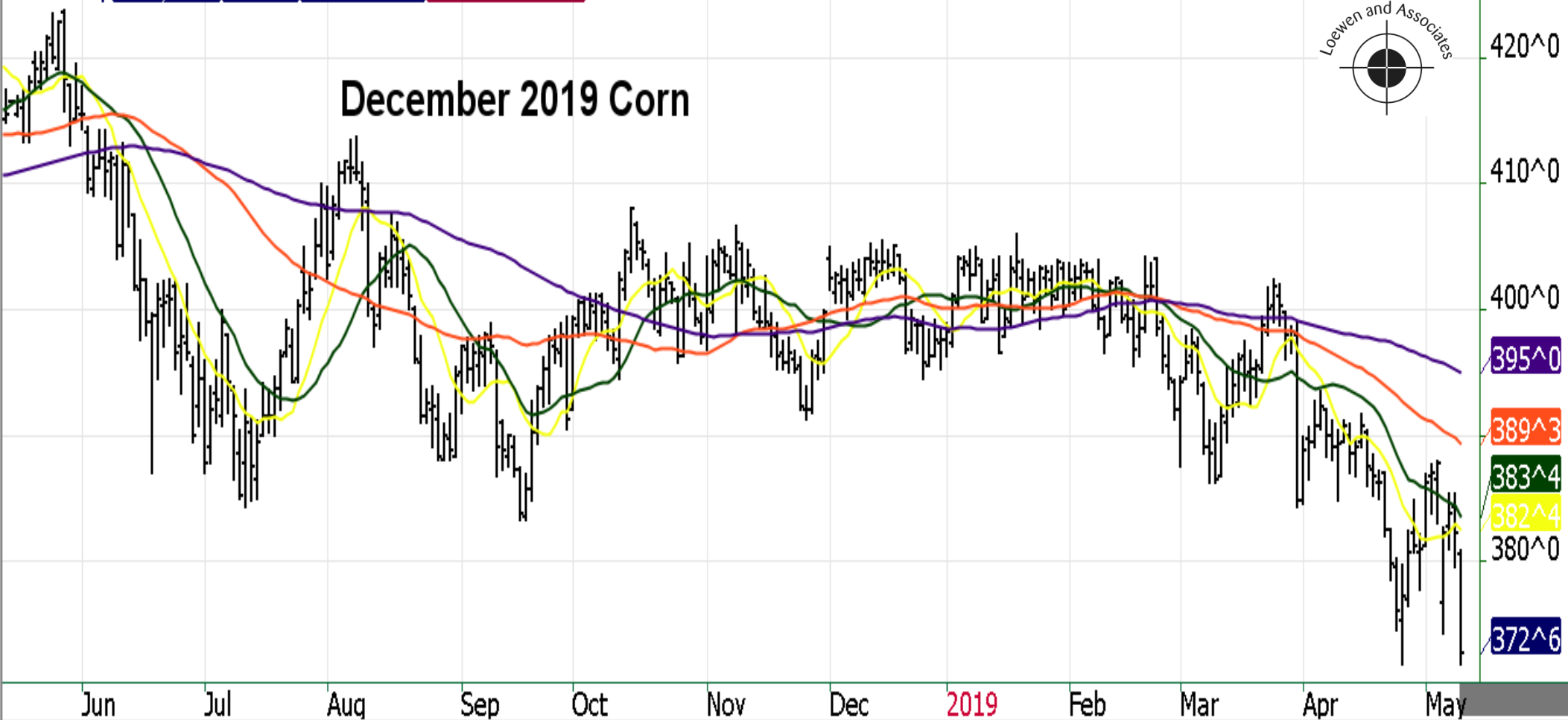
EVERYTHING ELSE...MARKETS ARE CHAOTIC

- POLITICS (RFS, TARIFFS)
- GLOBAL ECONOMIES (US\$ vs. WORLD)
- FUNDS (MONEY IN/MONEY OUT)
- DISEASE OUTBREAKS (AFRICAN SWINE FEVER)
- SCIENCE AND TECH (SEED GENETICS, INFORMATION FLOW, CELL BASED PROTEINS)

ZCZ19 ~ Daily Thu May 9 2019 1:30:00 PM H:381^0 L:371^6 T:372^6 -9^4 -2.49%



December 2019 Corn



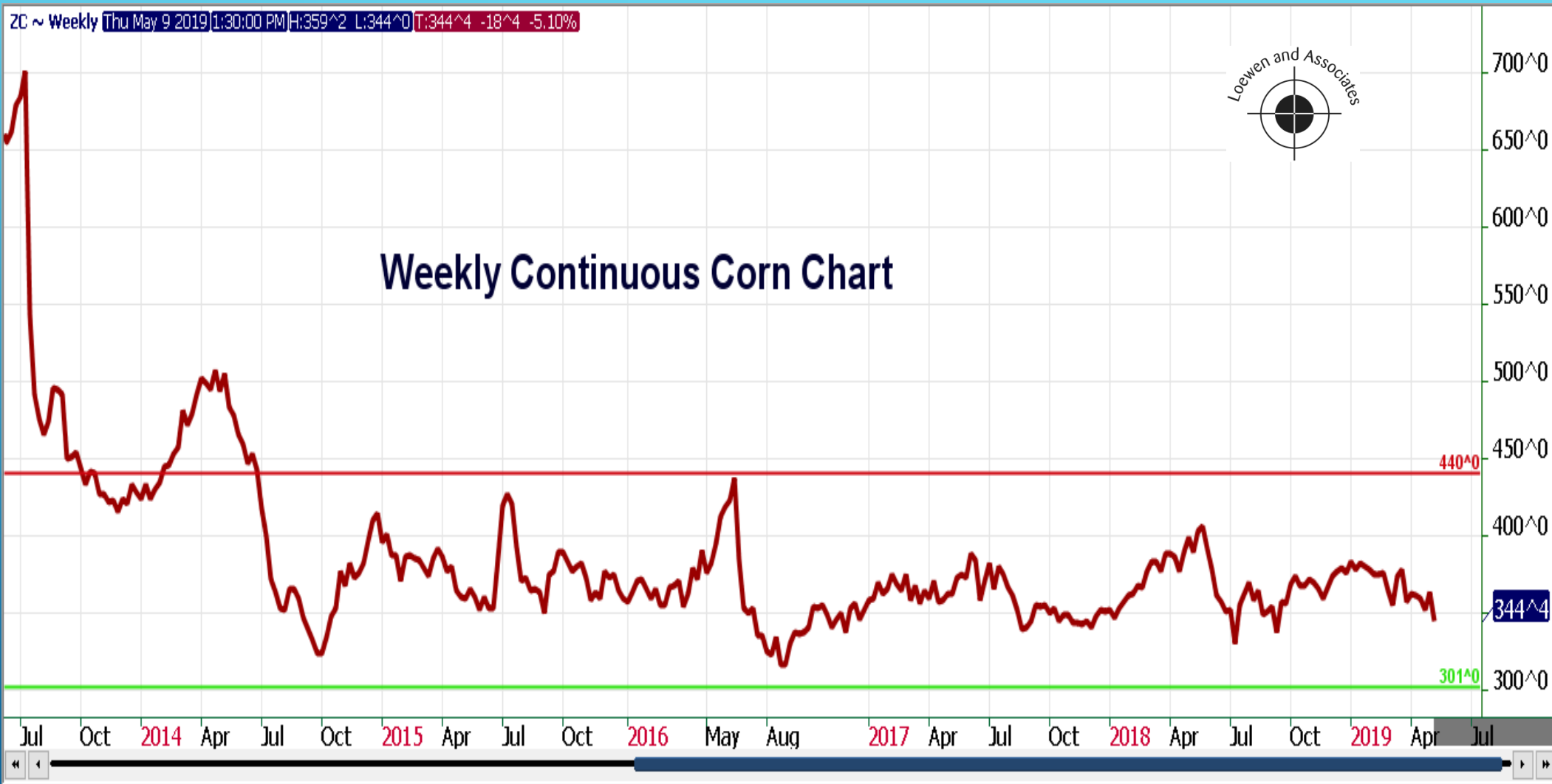
« »
Bars ● SMA(Close,10) ● SMA(Close,20) ● SMA(Close,50) ● SMA(Close,100) ●

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ZC ~ Weekly Thu May 9 2019 1:30:00 PM H:359^2 L:344^0 T:344^4 -18^4 -5.10%



Weekly Continuous Corn Chart



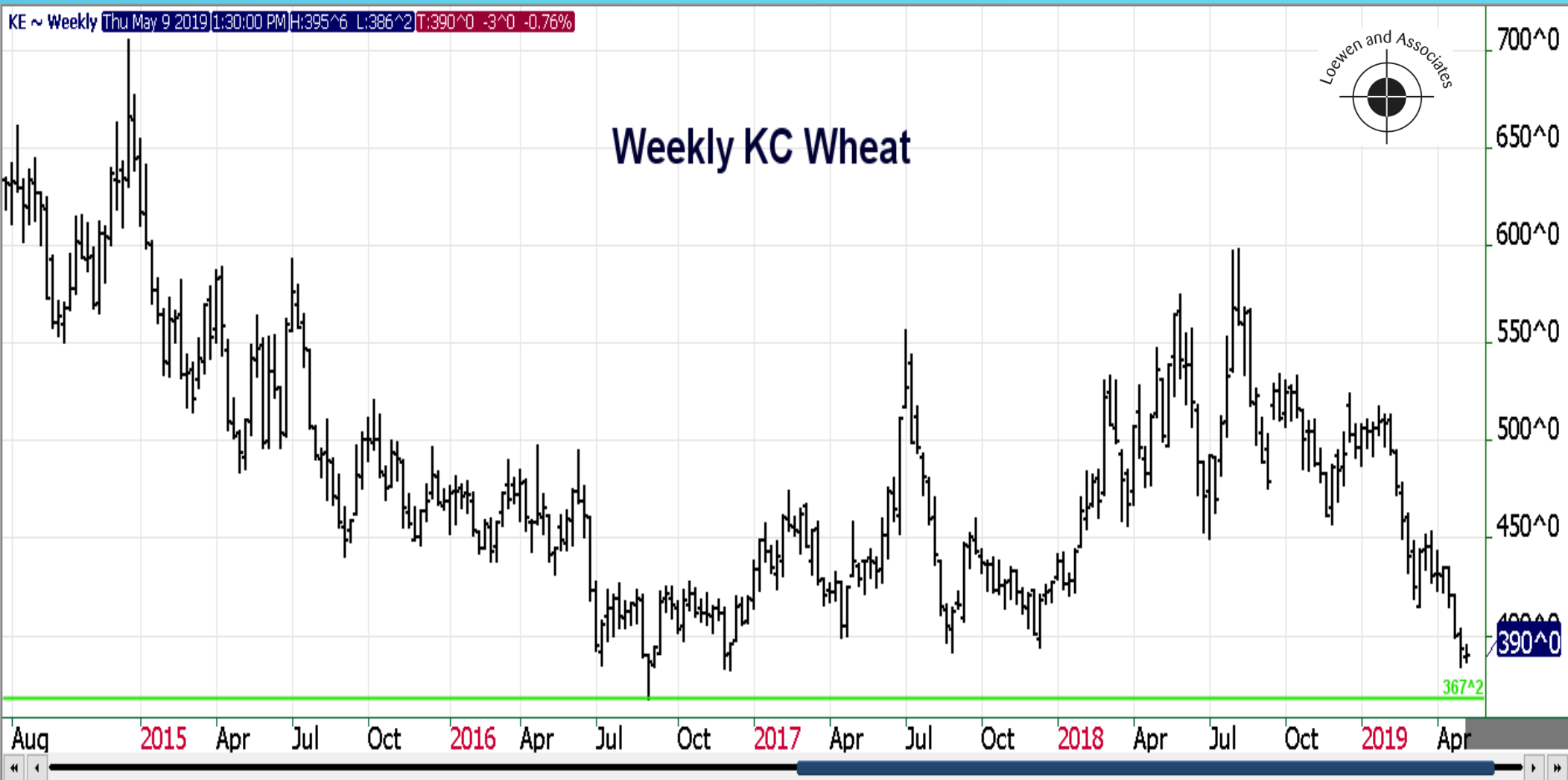
Lines(CL) ●

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KE ~ Weekly Thu May 9 2019 1:30:00 PM H:395^6 L:386^2 T:390^0 -3^0 -0.76%



Weekly KC Wheat



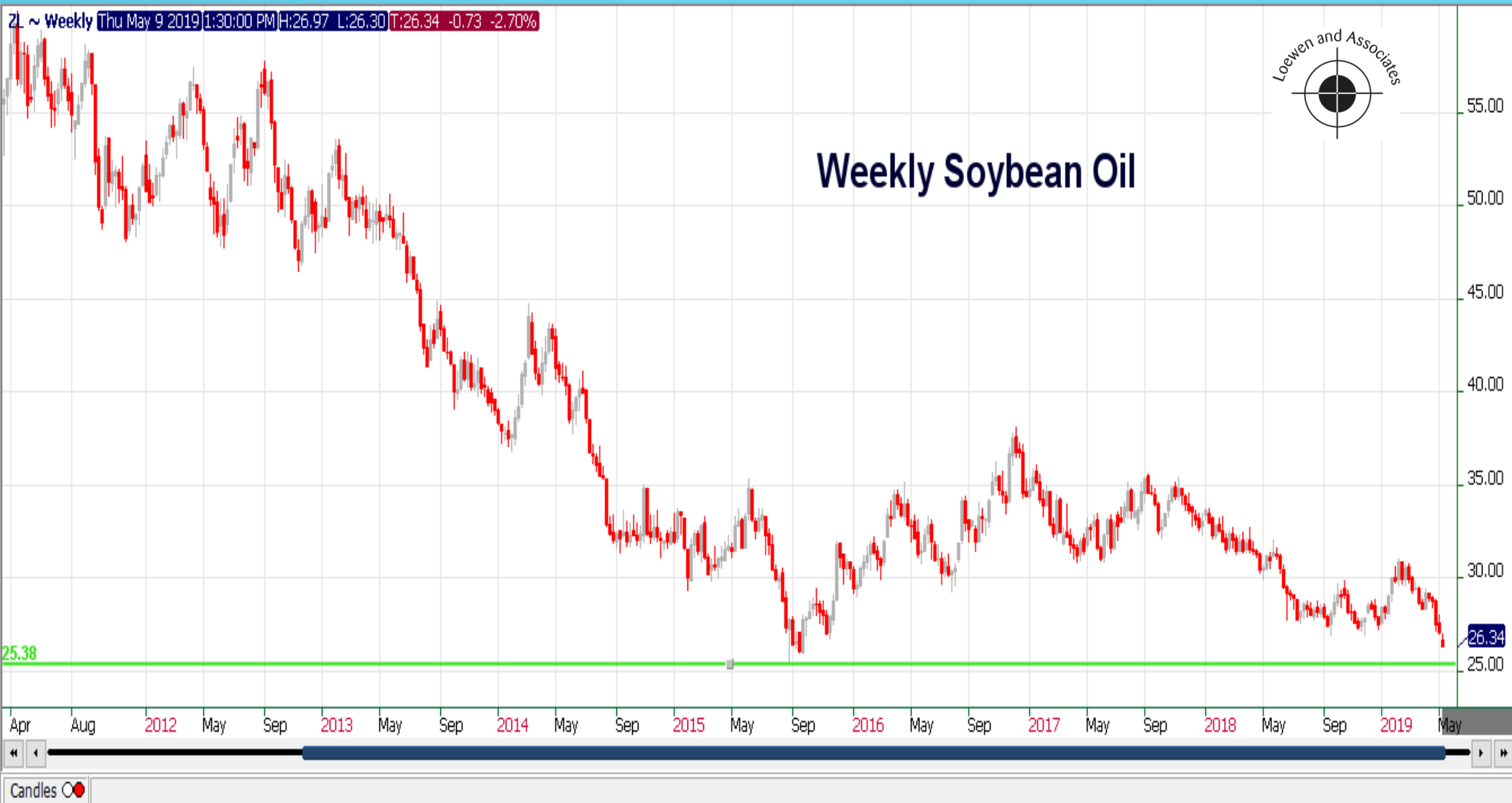
Bars ●●

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21 ~ Weekly Thu May 9 2019 1:30:00 PM H:26.97 L:26.30 T:26.34 -0.73 -2.70%



Weekly Soybean Oil



25.38

55.00

50.00

45.00

40.00

35.00

30.00

25.00

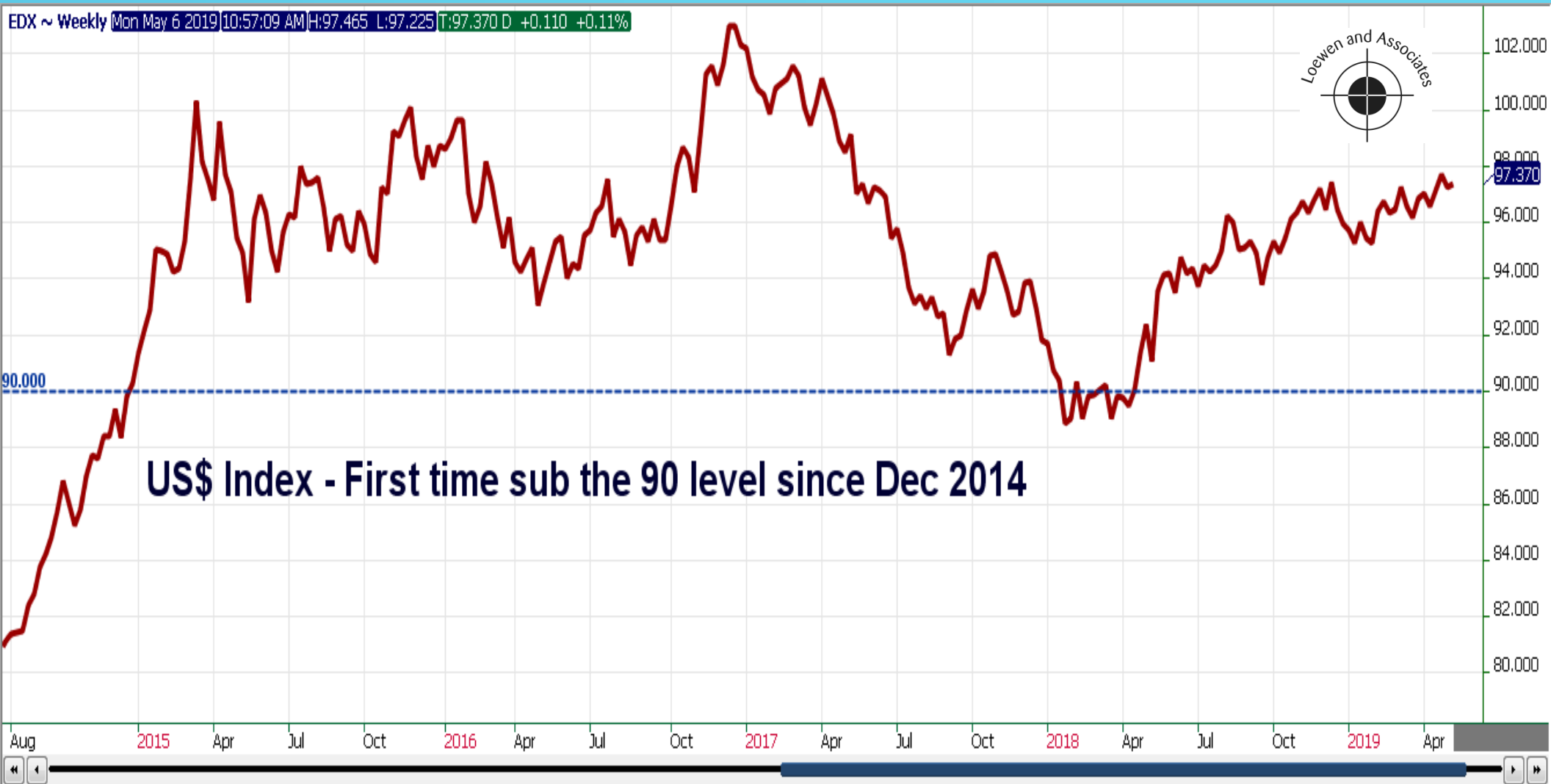
Apr Aug 2012 May Sep 2013 May Sep 2014 May Sep 2015 May Sep 2016 May Sep 2017 May Sep 2018 May Sep 2019 May

« »

Candles ○ ●

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EDX ~ Weekly Mon May 6 2019 10:57:09 AM H:97.465 L:97.225 T:97.370 D +0.110 +0.11%



Lines(CL) ●

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What Is Successful Marketing?

Successful Marketing
is all about choosing the
right tools

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

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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.



LOEWEN AND ASSOCIATES, INC

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

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