

Friday, March 28, 2014

Hog Prices: ↑ Soymeal: ↑
Corn: ↔ CDN Dollar: ↑

US Slaughter	
407,000	Thursday
430,000	Thursday (year ago)
W. Corn Belt	\$129.82
National Price	\$125.42
Daily Sig 3	\$263.11
Daily Sig 4	\$246.15
Thunder Creek	\$262.52
4-Month Fwd.	\$243.36
B of C Ex. Rate (Noon) \$1.1057 CAD/ \$0.9044 USD	
Cash Prices Week Ending March 28, 2014	
Signature 3	118.33/260.88
Signature 4	110.31/243.19
h@ms Cash	109.63/241.69
Hylife	n/a
Thunder Creek	114.22/251.80
ISO Weans	\$91.50 US Avg.
Feeder Pigs	\$118.10 US Avg.
#1 Export Sows (+500lbs)	\$81.50

Forward contract prices opened higher this morning. US cash markets are trading higher to finish the week with the different regions reporting gains in the afternoon session of \$2 - \$4/cwt. This week's slaughter is expected to total about 2.1 million hogs, approximately 3% lower than year ago levels. The pork cut-out is nearly unchanged from week ago levels, as buyers balk at the all-time record high prices they have been paying for any of the primal cuts. Lean Hog futures experienced a huge trading range this week, impacted by re-positioning by the large speculators that are holding a huge, profitable net long position. Today, all market participants are focused on this afternoon's release of the USDA's Hogs and Pigs report, which is expected to be the first confirmation of a massive 'hole' in hog supplies over the next 6 months. Regardless of report's results, the nearby contracts are expected to experience significant volatility and could trade at their daily limits of \$3.00/cwt in the early days of next week. Producers that are looking to cover more of their production and reduce uncertainty over summer prices should consider taking action today, ahead of the report's release.

Urner Barry's Pre-Hogs and Pigs Survey of Analysts		
	Average	Range
All Hogs and Pigs	94.6%	92.0% - 97.1%
Kept for Breeding	99.4%	98.9% - 100.7%
Kept for Marketing	94.1%	91.2% - 96.9%
Dec - Feb Pig Crop	96.4%	90.8% - 101.4%

Canadian delivered soymeal prices opened higher this morning. The USDA's quarterly Grain Stocks and Planting reports will be released Monday and are highly anticipated for providing the market with some needed fundamental news. Average stocks estimates of 989 million bu. show the lowest March 1 stocks relative to usage since 1975 with a range between 0.955 and 1.087 billion bu. For planting, acreage estimates range between 78.5 and 83.6 million acres with the average around 81 million. In other news, there is talk that a 9% export tax in Brazil affecting soybeans could be implemented.

Canadian delivered corn prices opened even this morning. US corn futures are trading mixed. There is a general consensus that the choppy activity (for both soybeans and corn) is a function of uncertainty and pre-USDA report positioning. Pre-report average stocks estimates show 7.1 billion bu. but with a range in estimates of ~700 million bu. Planting is expected to come in between 90.5 and 94 million acres, down from last year's 95.4 million, with some saying this supports a notion that farmers intend to shift acreage.

Fixed Forward Range	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3			244.53 255.69	254.16 260.25	248.97 256.60	218.60 250.60	201.82 210.47	198.39 205.01	167.86 176.00	173.46 176.00
Maple Leaf Sig. #4			235.32 247.89	243.77 249.86	239.62 247.30	216.91 241.98	197.21 211.59	196.36 199.51	167.38 178.22	172.51 176.15
Soymeal Winnipeg Delivered	613	616	616	616	618	618	618			
Corn Winnipeg Delivered	190	192	194							

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