

Friday, April 25, 2014

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

US Slaughter	
420,000	Thursday
423,000	Thursday (year ago)
W. Corn Belt	\$115.50
National Price	\$115.32
Daily Sig 3	\$233.45
Daily Sig 4	\$225.71
Thunder Creek	\$232.93
4-Month Fwd.	\$231.96
B of C Ex. Rate (Noon) \$1.1027 CAD/ \$0.9068 USD	
Cash Prices Week Ending April 25, 2014	
Signature 3	105.60/232.80
Signature 4	103.64/228.49
h@ms Cash	102.96/226.99
Hylife	n/a
Thunder Creek	106.05/233.80
ISO Weans	\$80.70 US Avg.
Feeder Pigs	\$136.88 US Avg.
#1 Export Sows (+500lbs)	\$91.75 cwt.

Forward contract prices opened lower this morning. US cash markets are called to finish the week steady to lower amid some uncertainty. On the one hand, record hog weights have contributed to higher pork production with the most recent data showing the week ending April 12 pork production was up 700,000 lbs from week previous and 0.56% up over year ago. However, most estimates suggest an expected 3-4% reduction in slaughter numbers relative to last year (as a result of PEDv losses), yet records show a reduction of ~5.7% over the last month and a half. More pork from less animals could be considered bearish, but the less animals trend will need to be closely monitored. Most reporting regions reported lower bids over the past couple days with the largest loss coming from the Eastern Corn Belt which traded \$4.33/cwt lower on Thursday. Lean hog futures are trading in a choppy pattern to finish the week. It was only Wednesday traders witnessed limit-up at close for June and July. However, Wednesday's action was attributed to the bullish cold storage report which saw a further draw down in stocks than expected; there is talk that the support was an over-reaction as those same contracts have now been under pressure.

Canadian delivered soymeal prices opened higher this morning. US soybeans are trading higher. Support is a function of strength in wheat and some technical positioning; analysts are calling for choppy trade as the May options contracts expire today. Pressure comes from general expectations of large planted bean acres and decent weather so far, although official soybean numbers have not yet been released. There is talk that imports are still arriving from Brazil although not enough to offset price implications associated with demand.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. Despite the fact that it is still early in the planting season, planted acres showing acreage behind the 5-yr average is having a supportive effect. The general consensus is that there will be a lot of corn in the US when current ending stocks and next year's production are factored. However, the later planting is delayed, the risk of it becoming too late materializes and corn acres could be switched to something else.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		241.68 246.73	243.19 248.76	239.88 247.48	216.47 236.06	200.76 208.36	196.64 203.24	168.03 176.16	173.62 176.16
Maple Leaf Sig. #4		238.14 239.91	235.99 242.06	233.47 241.13	216.59 232.69	196.96 211.29	196.61 199.56	169.31 180.13	174.42 176.06
Soymeal Winnipeg Delivered	635	637	637	638	638	638			
Corn Winnipeg Delivered	189	189							

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