

Monday, April 28, 2014

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

US Slaughter	
1.999 mil	Last Week
2.145 mil.	Last Week (year ago)
W. Corn Belt	\$111.55
National Price	\$115.44
Daily Sig 3	\$225.78
Daily Sig 4	\$226.25
Thunder Creek	\$225.94
4-Month Fwd.	\$226.70
B of C Ex. Rate (Noon) \$1.1042 CAD/ \$0.9056 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	102.07/225.02
Thunder Creek	106.05/233.80
ISO Weans	\$80.10 US Avg.
Feeder Pigs	\$129.14 US Avg.
#1 Export Sows (+500lbs)	\$91.75 cwt.

Forward contract prices opened mixed this morning. US cash markets are called steady to higher this morning with packers using last week's sharp sell-off as a starting point for this week's purchases. Slaughter ready supplies are tight and appear to be getting tighter with last week's slaughter coming in at 1.99 million hogs, about 7% lower than year ago levels. However, with last week's Easter Holiday, the production schedule was shorter than the same week it was compared to one year ago. Hog weights are making a significant difference in the production short fall, as average carcass weights are running 7 lbs. heavier than year ago, resulting in a net drop in pork production of only 3.5%. Wholesale pork prices dropped about \$4.00/cwt of their value last week, but are expected to see some support this week brought on by the more 'reasonable' prices. Lean Hog futures are trading lower this morning, as traders continue to use the cash market fundamentals as the primary factor driving decision making. The nearby contracts are trading at premium to the cash market comparable to historical levels, but do not represent any additional risk premium to reflect the supply uncertainty caused by PED.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. The May and June meal contracts have posted highs. Support comes from the continued tight US stock situation and rumors that Chinese crush margins are poised to turn around within the next 3 months inferring more export demand and less of a risk of defaulting on orders. There is talk that S. American product could start to have an effect on world prices with Brazil and Argentina currently offering \$40 and \$50 per tonne discounts respectively to the US variants.

Canadian delivered corn prices opened higher this morning. US corn futures are trading higher. Support primarily comes from weather outlooks forecasting rain for most of the Eastern Corn Belt as far north as Minnesota. This weekend, parts of Arkansas and Missouri suffered from the devastating effects of seasonal tornadoes. As such, there are further rumors of planting delays which could be confirmed in today's Crop Progress report, but it is still relatively early in the season and US farmers have demonstrated a proven ability to 'catch up' in very short periods of time.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		238.27	239.78 245.34	236.81 244.41	214.81 234.47	199.10 206.70	195.32 201.93	169.37 176.49	173.95 176.49	168.02 168.02	169.54 169.54
Maple Leaf Sig. #4		234.84	232.69 238.76	230.49 238.15	214.99 229.22	195.36 209.69	195.35 198.30	169.63 180.47	174.75 178.40	169.41 169.80	170.79 170.79
Soymeal Winnipeg Delivered	649	652	652	653	653	653					
Corn Wpg. Delivered	190	192	194								

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