

Wednesday, April 30, 2014

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

US Slaughter	
415,000	Tuesday
416,000	Tuesday (year ago)
W. Corn Belt	\$110.95
National Price	\$114.08
Daily Sig 3	\$222.96
Daily Sig 4	\$221.98
Thunder Creek	\$222.68
4-Month Fwd.	\$226.67
B of C Ex. Rate (Noon)	
\$1.0963 CAD/ \$0.9121 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)	\$91.00 cwt.

Forward contract prices opened mixed this morning. US cash markets traded about \$1.00/cwt lower yesterday, in spite of tighter supplies than the last several weeks. However, the focus of most traders was on the value of wholesale pork prices, which, when measured by the pork cut-out value, dropped more than \$3.00/cwt, erasing early week gains. Almost all of the primal cuts moved lower, with the pork cut-out punctuated by pork bellies dropping \$13/cwt or nearly 10% of their value yesterday. The choppy nature of these price movements could be a characteristic of the summer pork market as there is a great deal of supply uncertainty and concerns as to how consumers will react to the record high prices. Lean Hog futures are starting the day sharply lower, reflecting the cash market weakness. Contributing to the weakness in futures values is the fact that large speculators continue to sell out of their large long position, in response to the weaker technical indicators. The Canadian Dollar is trading lower this morning, but remains at the higher end of its 3 month trading range.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mixed. There is talk that the prospect of new crop abundance is triggering some technical repositioning and profit taking this morning. However, the old crop and its products (oil, meal) remain supported, particularly in the front contracts. In fact there is talk that the meal market will be eminently focusing on the rationing price as most in the trade concur that current demand for meal is unsustainable. There are reports that logistics problems in S. America are not as severe as last year, adding some pressure to beans.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. Despite this downturn, the trade is called steady to higher in the short to medium term on cool, wet weather (potentially delaying planting) and further on, an expectation of reduced acres planted and higher demand on production from those fewer acres. The upside is limited by the fact that there is still a relatively large carryout of corn estimated and some preliminary yield estimates coming in between 158.8 and 165 bu./acre for the new crop. Many variables between now and harvest, however.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		236.30	237.81 243.34	236.06 243.63	216.80 235.62	200.15 208.73	196.75 203.32	168.90 176.97	174.45 176.97	168.01 168.01	169.53 169.53
Maple Leaf Sig. #4		232.91	230.77 236.81	229.77 237.39	216.87 230.31	197.34 211.60	196.69 199.62	170.01 180.85	175.19 178.80	169.75 169.36	170.73 170.73
Soymeal Winnipeg Delivered	649	651	651	652	652	652					
Corn Wpg. Delivered	190	192	194								

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