

Thursday, May 01, 2014

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

US Slaughter	
411,000	Wednesday
416,000	Wednesday (year ago)
W. Corn Belt	\$111.85
National Price	\$113.99
Daily Sig 3	\$224.64
Daily Sig 4	\$221.70
Thunder Creek	\$224.26
4-Month Fwd.	\$229.15
B of C Ex. Rate (Noon)	
\$1.0957 CAD/ \$0.9126 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 higher this morning. US cash markets traded firm yesterday, with packers attempting to find an equilibrium between tight hog numbers, record large weights and demand for wholesale pork that is dealing with record high prices. Wholesale pork prices experienced weakness earlier this week after pork bellies dropped 10% of their value in one day. However, substitutes for pork like chicken and beef are also trading at historically high prices, providing few inexpensive alternatives. Lean Hog futures continue to see relatively high volatility, as traders attempt to consider all of the variables in the market. Nearby futures are at risk of further weakness as 'Large Speculators' continue to hold a large long position but have been selling out these contracts resulting in a cap to market gains. June Lean Hogs are trading at an \$8.00/cwt premium to current cash prices, reflecting good value relative to the normal price relationship at this time of year. The Canadian Dollar is trading lower this morning after the Governor of the Bank of Canada stated that a cut to already low interest rates was still a possibility if negative economic factors emerged.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower. Profit taking has extended into today's session despite talk that the technical charts are exhibiting a bullish bias suggesting further upside potential. The rumor in trading circles is that the complex could reach new highs as the market 'looks' for the top. But, this is no secret; old crop fundamentals are supportive and US demand remains relatively strong on news S. American crops are coming in with lower protein, and of longer lineups at port starting to form.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. Expectations of advancements in planting for the next Crop Progress report and some softness in demand from the ethanol industry relative to last week is pressuring corn today. Typical at this time of year, is market sensitivity relative to weather outlooks as the planting schedule is closely scrutinized. There is talk of support coming from strength in the wheat market as the Kansas Wheat Tour is reporting worse than expected HRW yields to this point.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3	237.57	239.08 244.62	238.12 245.69	218.68 240.99	202.03 210.61	199.04 205.62	171.20 179.30	176.77 179.30	168.81 168.81	170.33 170.33
Maple Leaf Sig. #4	234.15	232.01 238.05	231.76 239.52	218.70 235.52	199.15 213.42	198.92 201.86	172.36 183.14	177.45 181.08	170.13 170.52	171.50 171.50
Soymeal Winnipeg Delivered	645	645	646	646	646					
Corn Wpg. Delivered	192	194								

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