

Friday, May 02, 2014

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

US Slaughter	
415,000	Thursday
410,000	Thursday (year ago)
W. Corn Belt	\$111.99
National Price	\$113.34
Daily Sig 3	\$225.09
Daily Sig 4	\$220.59
Thunder Creek	\$225.61
4-Month Fwd.	\$226.12
B of C Ex. Rate (Noon)	
\$1.0965 CAD/ \$0.9119 USD	
Cash Prices Week Ending May 02, 2014	
Signature 3	102.03/224.93
Signature 4	101.21/223.12
h@ms Cash	100.53/221.62
Hylife	n/a
Thunder Creek	105.23/232.00
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 are closing out the week in a mixed pattern across reporting regions. ISM and WCB areas have shown some strength posting an average increase to the base price of about \$0.37/cwt, but weakness was seen in the National base of \$0.65 from the previous day. The volatility is a reflection of the ongoing uncertainty that has been noted throughout the week; a function of the unclear effects of PEDv on supply, packer demand and consumer response to the higher prices. Belly prices, for example, have fallen about 10% since the beginning of the week. US lean hog futures are also showing signs of volatility with the front months lower while the winter contracts are trading higher. To be sure, PEDv is still having an effect on the markets as new cases reported continue to create more uncertainty. The USDA's announcement that PEDv will be a reportable disease in the US will be welcomed by the industry, but relative volatility is expected in the trade until the process and reporting methodology becomes accepted and the numbers reflect what the market consents as being (more) accurate.

Canadian delivered soybean prices opened lower this morning. US soybean futures are trading higher. The July contract closed at its lowest level in over 10 sessions yesterday, largely on decent weather, expectations of record plantings and some poor exports sales numbers. There is talk that if key resistance levels are breached, further downside is possible. However, the general expectation is for choppy trading to finish the week. As of this writing, the old crop months have moved higher and lower relative to yesterday's close with no clear direction to start the session. There is more talk that meal supply is particularly tight in the US Midwest.

Canadian delivered corn prices opened lower this morning. US corn futures are trading lower. Pressure comes from action in other commodities which saw some selling yesterday. As well, there are expectations that planting progress will proceed at a relatively strong pace as farmers take advantage of gaps in the weather systems, that for all intents and purposes are being forecast as having heavier and above normal rainfall in many critical growing areas. Cumulative sales numbers at 99.1% (87.3% 5-yr average) are limiting the downside for the old crop trade.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3	234.54	236.05 241.58	235.24 242.79	218.81 237.76	202.18 210.74	199.57 206.15	172.74 180.84	178.31 180.84	170.38 170.38	171.90 171.90
Maple Leaf Sig. #4	230.83	228.68 234.72	227.99 235.60	217.84 231.41	198.32 212.57	198.46 201.40	172.86 183.65	177.96 181.59	170.68 171.08	172.06 172.06
Soymeal Winnipeg Delivered	629	629	630	630	630					
Corn Wpg. Delivered	186	186	188							

This information is intended to aid producers in making pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution (including email forwarding) of the HMO is strictly prohibited.



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STRENGTH IN NUMBERS

