

Tuesday, May 06, 2014

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

US Slaughter	
386,000	Monday
400,000	Monday (year ago)
W. Corn Belt	\$113.06
National Price	\$112.63
Daily Sig 3	\$227.03
Daily Sig 4	\$219.02
Thunder Creek	\$225.43
4-Month Fwd.	\$227.02
B of C Ex. Rate (Noon)	
\$1.0955 CAD/ \$0.9128 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	99.87/220.17
Thunder Creek	105.23/232.00
ISO Weans	\$79.74 US Avg.
Feeder Pigs	\$128.82 US Avg.
#1 Export Sows (+500lbs)	\$83.00 cwt.

Forward contract prices opened mixed this morning. US cash markets started the week on a firmer trend with the Midwestern regions reporting gains to packer bids of about \$1.00/cwt, yesterday. Probably more important for the longer term cash market trend, were gains reported in the pork cut-out that exceeded \$2.00/cwt. While most of the primal pork cuts are down sharply from the highs put in close to 1 month ago, most cuts have found support recently, with buyers still wary of the possibility of supply shortages over the summer months. Widespread expectations of larger slaughter reductions due to PED have buyers more willing to take prices as they come in order to avoid being short supplies in market with unknown upside potential. June Lean Hog futures are maintaining nearly a \$10/cwt premium over the current cash market, reflecting the optimism in the market. However, funds continue to be a drag on futures gains as they continue to exit their largely profitable long positions. Producers looking to forward contract a portion of their summer months production can consider using target prices \$5 - \$10/kg higher than current forward prices.

Canadian delivered soybean prices opened lower this morning.

US soybeans futures are trading lower. There are expectations of minor reductions to ending stock estimates in the WASDE report released later in the week. New crop ending stock estimates are expected to be around 307 million bu. (over 2x old crop). While crop progress showed 5% yesterday (11% 5-year average), the number was within market expectations. There are rumors that increased imports from Brazil could be 'assembled' on the east coast and shipped up the Mississippi, alleviating some of the tightness in the interior.

Canadian delivered corn prices opened higher this morning.

US corn futures are trading mixed. The trade is choppy (reflecting some uncertainty from the Ukraine crisis as well as residual support from wheat) but is generally considered range-bound as old crop fundamentals do not really support corn to be trading at much more than \$5/bu. USD. The WASDE report will be released on Friday with some pre-report estimates at 92 million in planted acres. New crop ending stocks are estimated at 1.672 billion bu. but there is still a lot of time until harvest.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		238.46	237.95	218.36	201.84	198.96	174.05	179.57	172.86	173.36
		243.95	245.46	239.99	210.35	205.49	182.08	182.08	172.86	174.38
Maple Leaf Sig. #4		231.01	230.62	217.37	197.97	197.83	174.06	179.15	173.08	174.45
		237.01	238.18	233.57	212.13	200.74	184.79	182.75	173.47	175.24
Soymeal Winnipeg Delivered	632	632	634	634	634					
Corn Wpg. Delivered	188	188	190							

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Some Important h@ms Marketing Phone Numbers

Main Switchboard: 204-233-4991

Logistics Coordinator (Crystal): 204-235-2225

Risk Management (Paul and Melodie): 204-235-2237

Toll Free: 1-800-899-7675

STRENGTH IN NUMBERS

