

Thursday, May 08, 2014

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

US Slaughter	
413,000	Wednesday
413,000	Wednesday (year ago)
W. Corn Belt	\$113.24
National Price	\$112.59
Daily Sig 3	\$226.17
Daily Sig 4	\$217.76
Thunder Creek	\$225.48
4-Month Fwd.	\$222.34
B of C Ex. Rate (Noon) \$1.0896 CAD/ \$0.9177 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 continue to come under pressure, with packers having an easier time sourcing live supplies than was anticipated. Weekday slaughter levels are averaging close to 410,000 hogs, only marginally lower than year ago levels. However, carcass weights continue to run in excess of 215 lbs. as an average, more than 3% larger than weights seen in May 2013. Lean Hog futures are largely focused on these cash market indicators, with traders having difficulty rationalizing the premium that summer month contracts hold over the current cash market. Earlier in the week, the USDA released its March pork export sales numbers which showed a 23% increase over March 2013. What makes this number remarkable is the fact that we were able to realize such gains while prices rallied well beyond record levels. Mexico increased the volume of their purchases (predominantly hams) by 43%, while the value of their purchases was 85% higher. China/Hong Kong purchased 74% more pork than in March 2013, but interestingly the value of pork purchased was up by 89%, reflecting products that had not experienced the same price appreciation as hams. Forward prices have come under some pressure this week, but prices for the Oct-Dec period are still trading near record highs.

Canadian delivered soybean prices opened higher this morning. US soybean futures are trading higher. Following two sessions of losses, beans have bounced ahead of tomorrow's WASDE report which is expected to show old crop ending stocks revised lower to 133 million bu. Possibly pressuring the new crop contracts is the first official estimate of the year for 2014/15 ending stocks thought to reflect ~305 million bu. Nearby pressure comes from rumors that beans are making their way on barges as far north as Illinois (relieving some interior supply issues) and of expected cancellations in today's export sales report, limiting the upside.

Canadian delivered corn prices opened even this morning. US corn futures are trading mixed. There are thoughts that as much as a 40% increase in the planted crop could be reported on Monday and talk that farmers are working around the clock in an attempt to get the crop in the ground ahead of some less than ideal weather forecasts out until the 14th. Softer demand from the ethanol industry is adding mild pressure. It is expected that old crop ending stocks will be revised lower to 1.331 billion bu.; new crop range shows a massive 1.059 billion bu. (!) variance with an average estimate of 1.672 billion bu.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		231.10 236.59	236.61 244.11	216.26 236.37	199.75 208.26	196.51 203.02	170.97 178.98	176.48 178.98	171.22 171.22	171.72 172.72
Maple Leaf Sig. #4		223.88 229.87	229.31 236.87	215.33 230.05	195.95 210.10	195.44 198.35	171.09 181.76	176.13 179.72	171.44 171.83	172.80 173.58
Soymeal Winnipeg Delivered	627	627	628	628	628					
Corn Wpg. Delivered	188	188	190							

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



Some Important h@ms Marketing Phone Numbers

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STRENGTH IN NUMBERS

