

Tuesday, May 13, 2014

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

US Slaughter	
393,000	Monday
399,000	Monday (year ago)
W. Corn Belt	\$108.30
National Price	\$112.20
Daily Sig 3	\$216.12
Daily Sig 4	\$216.82
Thunder Creek	\$215.74
4-Month Fwd.	\$223.88
<b>B of C Ex. Rate (Noon)</b> \$1.0887 CAD/ \$0.9185 USD	
<b>Cash Prices Week Ending</b> <b>May 09, 2014</b>	
Signature 3	102.25/225.42
Signature 4	98.92/218.09
h@ms Cash	98.24/216.59
Hylife	98.12/216.32
Thunder Creek	102.01/224.90
ISO Weans	\$78.75 US Avg.
Feeder Pigs	\$126.42 US Avg.
#1 Export Sows (+500lbs)	\$77.00 cwt.

**Forward contract prices opened higher this morning.** US cash markets started the week with steady to slightly lower bids after packers had little difficulty filling their modest slaughter schedules, estimated at 393,000 hogs across the US. Hog supplies are more abundant than most market participants had anticipated as traders had thought the 'hole' in hog supplies would have grown larger from the early-April deficit of 6% fewer than year ago levels. Actual hog numbers over the last 3 weeks have only been about 3% lower than year ago, consistent with the USDA's March Hogs & Pigs report. The trade anticipates the largest deficit in hog supply (compared to year ago levels) will hit us in July/August, which could leave the market exposed to significant price swings between now and then. Currently, the June futures hold a \$6.00/cwt premium to the cash index, suggesting that cash market gains over the next month will be in line with a seasonal trend. The Canadian Dollar is at the high end of its 1 month trading range, but down from the near term highs put in on Friday after poor employment data was released from Statistics Canada.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher. Supportive factors include sustained demand across the complex amid tight supplies. Demand for meal is consistent domestically and export inspections have again come in above USDA projections. As well, there are thoughts that increased demand will soon come from China's poultry and aquaculture sectors. Monday's Crop Progress report showed soybean planting at 20% as compared to the 21% 5-year average.

**Canadian delivered corn prices opened even this morning.** Export numbers are supportive as demand for US corn remains 'solid'. There is talk that the market is also geared for a correction higher today after Monday's session saw profit taking; most of the offered contracts closed lower over the session. Planting progress (59%) came in lower than expectations (mid 60s%) but higher than the 58% 5-year average. Critical growing areas in the Midwest are estimated to be 20% below their state 5-yr averages due to a sustained colder spring, adding some pressure.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		231.94 235.93	242.03 244.53	219.30 242.67	202.78 211.29	199.62 206.14	171.63 179.66	177.15 179.66	171.22 171.22	166.96 172.73
Maple Leaf Sig. #4		224.79 229.24	234.57 237.28	218.28 236.16	198.88 213.04	198.45 201.37	171.74 182.43	176.79 180.39	171.45 171.84	167.71 173.60
Soymeal Winnipeg Delivered	631	631	633	633	633					
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

