

Wednesday, May 14, 2014

Hog Prices: ↑ Soymeal: ↓

Corn: ↔ CDN Dollar: ↓

US Slaughter	
415,000	Tuesday
411,000	Tuesday (year ago)
W. Corn Belt	\$109.93
National Price	\$111.40
Daily Sig 3	\$219.48
Daily Sig 4	\$215.38
Thunder Creek	\$219.36
4-Month Fwd.	\$226.46
B of C Ex. Rate (Noon) \$1.0892 CAD/ \$0.9181 USD	
Cash Prices Week Ending May 09, 2014	
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 added some value in trade yesterday, with most of the regional markets gaining about \$2.00/cwt, returning to levels not seen since Thursday of last week. Daily US slaughter continues to exceed expectations with the USDA estimating yesterday's slaughter at 415,000 hogs, only slightly lower than year ago levels. However, the pork cut-out (the aggregate value of all the primal cuts) lost more than \$2.00/cwt yesterday reflecting the sentiment that pork is still expensive relative to the available supply. Futures traders are still factoring in the impact of tighter supplies from PED, albeit later than previously thought. The August contract is now only about \$2.50/cwt lower than contract highs made a month and a half ago, while the June contract is nearly \$13/cwt lower than its contract high. The Lean Hog futures have received help from the cattle complex over the last month, with expectations of tight cattle supplies supporting beef prices through the summer and fall months. Producers should consider July-August forward contract prices as good value given where the cash market is currently trading and the significant uncertainty in supply related to this timeframe.

Canadian delivered soymeal prices opened lower this morning.

There is much uncertainty regarding demand in China. Estimates are that the country could import over 70 MMT this year and over 72 MMT for 2014/15 along with rumors of no defaults on US contracts. The state sale sold 92% of 300,000 MT put up for auction. These two 'events' are confounding those who were of the view poor crush margins were curbing demand in China. The US planting pace is expected to pick up amid improving weather and Argentine yields have been better than expected, limiting the upside.

Canadian delivered corn prices opened even this morning.

Consistent demand remains supportive but the market bias is bearish. Although cooler and wetter in the northern Midwest, there is optimism regarding planting progress this week. While the much talked about 40% increase was not reached last week, an impressive 30% was recorded bringing the total planted acres to 59% of estimates. Despite political unrest in the Ukraine, there are reports planting is mirroring last year's pace and is currently at 87% of ~12.7 million intended acres.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		234.71 238.71	244.92 247.42	222.52 246.78	205.98 214.50	202.63 209.15	173.24 181.26	178.76 181.26	171.38 171.38	166.59 172.89
Maple Leaf Sig. #4		227.48 231.93	236.78 239.50	220.82 239.17	201.41 215.58	200.79 203.70	172.71 183.40	177.76 181.36	171.22 171.61	166.97 173.36
Soymeal Winnipeg Delivered	629	629	630	630	630					
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

