

Thursday, May 15, 2014

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

US Slaughter	
411,000	Wednesday
413,000	Wednesday (year ago)
W. Corn Belt	\$109.22
National Price	\$111.66
Daily Sig 3	\$217.96
Daily Sig 4	\$215.77
Thunder Creek	\$217.69
4-Month Fwd.	\$222.87
<b>B of C Ex. Rate (Noon)</b> \$1.0887 CAD/ \$0.9185 USD	
<b>Cash Prices Week Ending 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 lower this morning.** US cash markets are struggling to maintain steady values as current hog supplies are only marginally smaller than year ago levels. The market continues to move lower as the 'hole' in hog supplies caused by PED fails to materialize and pork market participants have difficulty rationalizing the high prices that they have been paying. The pork cut-out was supported in trade yesterday, with gains in all primal cuts except hams reported in a modest volume of trade. Yesterday's rally of more than \$2.00/cwt in the summer month futures contracts was short lived as the gains were not held to the end of the day. Weakness in the overnight session erased all of the gains made in the June contract, with traders growing concerned that the premium that this contract holds to the cash market is larger than required. Producers that have not taken protection in the late summer, early fall timeframe should consider contracting up to 25% of their production at current prices, as these contracts hold a significant premium to the cash market.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading mixed. Thoughts on reignited Chinese demand and a pre-report crush demand that is estimated higher than last year are supportive. Pressure comes from talk of record Chinese domestic production, increasing S. American production, a potential record US production and evidence that some basis levels are weaker than last year, suggesting the demand situation 'on the ground' isn't as dire as initially thought. Supplies do remain very tight, however, and are supporting the old crop trade.

**Canadian delivered corn prices opened even this morning.** Official production numbers from China are showing a record domestic crop of 222 MMT, up 4.3 MMT over last year. Like soybeans, there is official talk that Chinese state auctions of corn are expected as early as next week. Also adding pressure is some evidence that US export numbers are slowing and talk that the USDA might have to revise estimates lower. Planting remains robust (albeit slowed in the north) and if weather systems can be successfully navigated, strong planting progress is expected.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		230.41 234.40	241.33 243.83	218.94 243.13	203.44 210.94	199.21 205.71	168.78 176.78	174.28 176.78	168.34 168.34	164.93 169.85
Maple Leaf Sig. #4		223.31 227.76	233.31 236.02	217.34 235.64	197.98 212.11	197.46 200.37	168.38 179.04	173.42 177.01	168.26 168.65	165.35 170.40
Soymeal Winnipeg Delivered	634	634	635	635	635					
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

