

Wednesday, May 28, 2014

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

US Slaughter	
424,000	Tuesday
425,000	Tuesday (year ago)
W. Corn Belt	\$108.04
National Price	\$110.03
Daily Sig 3	\$215.25
Daily Sig 4	\$212.28
Thunder Creek	\$215.32
4-Month Fwd.	\$214.88
B of C Ex. Rate (Noon)	
\$1.0869 CAD/ \$0.9200 USD	
Cash Prices Week Ending May 23, 2014	
Signature 3	99.05/218.36
Signature 4	97.04/213.94
h@ms Cash	96.36/212.44
Hylife	96.09/211.85
Thunder Creek	98.75/217.70
ISO Weans	\$72.49 US Avg.
Feeder Pigs	\$114.56 US Avg.
#1 Export Sows (+500lbs)	n/a

Forward contract prices opened mixed this morning. US cash markets are called steady to lower. There is talk that packers are only buying 'what they need' over this shortened kill week, pressuring bids as the competition relaxes somewhat for available supplies this week. Yesterday's cash markets were mixed across reporting regions; ISM and WCB showed modest increases while the National reporting region reported a decrease in bids by \$0.34 USD/cwt. Nearby futures are trading at a premium to the cash market considering the time of year and relative proximity to contract expiry. Looked at another way, cash markets are discounted to futures with some traders expecting further pressure to be applied to the June (and subsequently) July contracts. Lean hog futures settled lower yesterday, a function of technical indicators and PEDv related supply uncertainty. The market is very sensitive to any news, and supply news in particular, which is adding to the choppy and two sided aspect of the trade as of late. But demand news is also a factor with some expecting consumer demand to wane slightly following the US long-weekend. Producers looking to lock in price certainty amid a potentially volatile trade moving forward are encouraged to look at current forward contract offerings that are good value relative to history.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading mixed. With current and forecast weather viewed as 'ideal', the trade came under some pressure yesterday. However, meal demand remains strong and supplies of beans remain tight; the soymeal trade is not mirroring identically the bean trade as interior crushers look to maintain production requirements. Crop Progress came in at 59% compared to the 55% expected (56% 5-yr average).

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. Like soybeans, the corn trade is coming under pressure as a result of rather positive weather reports, both current and forecast. The USDA's Crop Progress report showed 88% of the crop is now planted which did not exceed higher pre-report estimates approaching 90% but did tie the 5-yr. average. Areas of concern in the north are finally turning around weather-wise, adding pressure to the forwards as more work and planting gets done.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #3			231.21	218.37	201.89	198.76	172.30	177.81	169.49	165.19	165.19
			233.71	240.04	210.38	205.26	180.31	180.31	169.49	171.00	166.19
Maple Leaf Sig. #4			223.51	216.78	197.44	197.03	171.79	176.83	169.37	165.59	165.59
			226.22	232.64	211.56	199.93	182.45	180.42	169.76	171.50	165.59
Soymeal Winnipeg Delivered	640	640	642	642	642						
Corn Wpg. Delivered	181	181	179								

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

