

Friday, May 30, 2014

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

US Slaughter	
418,000	Thursday
425,000	Thursday (year ago)
W. Corn Belt	\$109.21
National Price	\$109.66
Daily Sig 3	\$216.94
Daily Sig 4	\$210.94
Thunder Creek	\$217.13
4-Month Fwd.	\$216.22
B of C Ex. Rate (Noon)	
\$1.0837 CAD/ \$0.9227 USD	
Cash Prices Week Ending May 30, 2014	
Signature 3	97.67/215.32
Signature 4	96.12/211.91
h@ms Cash	95.44/210.41
Hylife	n/a
Thunder Creek	98.79/217.80
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 showing a modest recovery from the pressure witnessed all week. ISM and WCB reporting regions are showing an increase of \$1.27/cwt. on average to close out the week. Pork production for w/e May 17 was down 1.7 million pounds from the week previous but up 2.6% from year-ago levels. PEDv speculation remains rampant. Many are pointing out that positive PEDv accessions jumped in January and February of 2014 meaning those animals would have been marketed July and August. Considering that losses for June are estimated at 4-6%, the inference is that further losses are just around the corner. Tying this into the observation that July futures are currently trading at a notable premium to cash markets, a reasonable notion is that the trade is headed for further volatility amid this speculation and uncertainty. Lean hog futures continue to be pressured as no real market-moving news is being reported. With the nearby contract expiry two Fridays from now, it is expected that some pressure will be applied to the nearby contract approaching expiry. However, should a larger hole become evident, market dynamics could change quickly; current forward contract offerings represent good value relative to history and provide a method of locking in price certainty.

Canadian delivered soymeal prices opened lower this morning.

The July contract is showing some strength on sustained demand and the continued tight supplies. However, deferred contracts are under pressure on positive weather forecasts and rumors that northern US farmers could be poised to switch corn acres to soybeans. While the weather leans negative for the crop, thoughts of strengthened Chinese demand for both crop years are limiting the downside. Export sales numbers will be released this morning.

Canadian delivered corn prices opened even this morning.

As with soybeans, the weather is pressuring the futures trade. But, fund liquidation is also pushing the trade lower and offsetting the expected 'losses' in corn acres; there is talk of too much rain in the Dakotas and the market expects those acres to be switched to something else (soybeans or spring wheat being the top two contenders). The export sales report released this morning is expected to be supportive to the nearby contract.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #3			229.91	220.98	204.53	201.72	172.57	178.07	170.68	165.26	165.26
			232.40	240.98	213.00	208.22	180.57	180.57	170.68	172.19	166.26
Maple Leaf Sig. #4			222.25	219.30	199.99	199.89	172.05	177.09	170.53	165.67	165.67
			224.95	233.55	214.08	202.80	182.70	180.67	170.92	172.67	165.67
Soymeal Winnipeg Delivered	645	645	647	647	647						
Corn Wpg. Delivered	182	182	183								

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Some Important h@ms Marketing Phone Numbers

Main Switchboard: 204-233-4991

Logistics Coordinator (Crystal): 204-235-2225

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STRENGTH IN NUMBERS

