

Friday, June 06, 2014

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

US Slaughter	
411,000	Thursday
399,000	Thursday (year ago)
W. Corn Belt	\$111.29
National Price	\$109.81
Daily Sig 3	\$223.05
Daily Sig 4	\$213.11
Thunder Creek	\$222.59
4-Month Fwd.	\$223.03
<b>B of C Ex. Rate (Noon)</b>	
\$1.0934 CAD/ \$0.9145 USD	
<b>Cash Prices Week Ending June 6, 2014</b>	
Signature 3	98.77/217.75
Signature 4	96.16/212.00
h@ms Cash	95.48/210.50
Hylife	n/a
Thunder Creek	97.39/214.70
ISO Weans	\$70.77 US Avg.
Feeder Pigs	\$110.37 US Avg.
#1 Export Sows (+500lbs)	\$70.00

**Forward contract prices opened higher this morning.** US cash markets are finishing the week on a strong note, with a larger weekly hog slaughter than many had anticipated. We are currently on pace this week for a slaughter of 2 million hogs, only slightly lower than year ago levels. Hog deliveries are not being pulled ahead of schedule to achieve the consistent slaughter, as hog carcass weights are still in excess of 216 lbs. and showing no signs of the seasonal 4% reduction in weights that is typical for this time of year. While the cash market trend appears to have shifted from steady to moderately bullish, the July and August futures continue to hold significant premiums over the current cash market; well beyond levels that have ever been seen at this time of year. The market rationalizes these premiums by considering supply shortages which would likely cause a price rally, but there is still a great deal of uncertainty relating to the timing and magnitude of supply reductions due to PED. Producers should consider taking price protection in the late July, early August to secure what would be record high prices for this timeframe.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading higher following two sessions of trading lower. Given the fundamental old crop picture (i.e. sustained demand and tight US supplies), the turn lower on all contracts was somewhat counter intuitive. However, there is talk that the large funds were engaged in some long liquidation selling and are poised to do so again amid talk that processors are finding supplies and on rumors the USDA could revise 2013/14 production higher. Volatility remains ahead of next Wednesday's WASDE report.

**Canadian delivered corn prices opened higher this morning.** US corn futures are trading higher following four straight sessions of losses. The bounce is being attributed to speculative liquidation, mainly on technical indicators, as the fundamental picture remains largely bearish. Weather has been favourable for planting and crop emergence, but the fundamental picture is changing somewhat as some wetter weather has developed in the WCB along with some talk of replanting. The corn market remains extremely sensitive to weather news and is expected to remain so as pollination approaches.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #3		238.79 241.30	226.06 251.16	209.47 218.02	206.22 212.77	173.71 181.76	179.24 181.76	170.43 170.43	166.20 171.95	166.20 167.21
Maple Leaf Sig. #4		230.85 233.57	224.27 243.41	204.79 219.01	204.28 207.21	173.18 183.91	178.25 181.86	170.32 170.71	166.61 172.47	166.61 166.61
Soymeal Winnipeg Delivered	639	639	639	639						
Corn Wpg. Delivered	179	179								

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Some Important h@ms Marketing Phone Numbers

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STRENGTH IN NUMBERS

