

Wednesday, June 25, 2014

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

US Slaughter	
399,000	Tuesday
402,000	Tuesday (year ago)
W. Corn Belt	\$126.32
National Price	\$120.38
Daily Sig 3	\$248.68
Daily Sig 4	\$229.48
Thunder Creek	\$248.59
4-Month Fwd.	\$212.85
<b>B of C Ex. Rate (Noon)</b>	
\$1.0740 CAD/ \$0.9370USD	
<b>Cash Prices Week Ending June 20, 2014</b>	
Signature 3	106.54/234.88
Signature 4	100.66/221.91
h@ms Cash	99.98/220.41
Hylife	100.55/221.68
Thunder Creek	104.19/229.70
ISO Weans	\$76.75 US Avg.
Feeder Pigs	\$115.27 US Avg.
#1 Export Sows (+500lbs)	\$71.00/cwt. tagged

**Forward contract prices opened higher this morning.** US cash markets continue to rally, with packers successfully adding additional volume to this week's slaughter. Packers have strong incentive to maximize this week's slaughter, as it will contribute to meeting the spike in demand ahead of the July 4<sup>th</sup> holiday. Carcass weights have dipped under 216 lbs., but remain more than 11 lbs. heavier than either of the last two years and have so far experienced no significant effect from hotter temperatures slowing growth rates. Futures traders are primarily focused on Friday's Hogs and Pigs report, with volumes higher in preparation for the market-moving news. Most analysts have the 'Kept for Marketing' number estimated in the 95% - 98% of year ago levels. This supply forecast would be consistent with the recent trend in hog slaughter and the number of PED positive test cases reported by the American Association of Swine Veterinarians (AASV). The market is likely to see significant price fluctuation leading up and in response to Friday's report.

**Canadian delivered soymeal prices opened even this morning.** US soybean futures are trading mixed amid much speculation ahead of Plantings and Grain Stocks reports (both released next Monday). Preliminary new crop estimates are starting to come in with a low acreage estimate around 80.5 million acres and high acreage estimate of over 84 million acres. Depending on yields, ending stocks estimates are coming in between 250 and over 400 million bu. The old crop market is extremely price sensitive with some projecting a \$0.50USD/bu. reaction to a 10 million bu. adjustment in ending stocks. The next WASDE report will be released July 11.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. Weather remains a bearish force with concerns over regional wetness more than offset by ideas that soil moisture levels are (finally) being replenished. There is also optimism for drier weather ahead as the crop approaches the pollination phase. Acreage estimates range between 91 and 92.2 million acres with some preliminary yield estimates approaching 170 bpa (meaning a potential 2+ billion bu. carryout). However, a major weather event could turn the market around very quickly.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3			231.61 249.40	212.41 222.75	207.47 215.86	175.89 187.73	177.37 183.78	172.67 172.67	167.03 174.16	167.03 168.51	169.14 172.11
Maple Leaf Sig. #4			228.48 241.79	206.93 222.38	204.73 209.50	174.15 188.10	178.93 182.56	171.24 171.62	166.35 173.54	166.16 167.11	166.28 168.97
Soymeal Winnipeg Delivered	573	573	573	573							
Corn Wpg. Delivered	178	181									

STRENGTH IN NUMBERS



Some Important h@ms Marketing Phone Numbers

Main Switchboard: 204-233-4991

Logistics Coordinator (Crystal): 204-235-2225

Risk Management (Paul and Melodie): 204-235-2237

Toll Free: 1-800-899-7675

