

Friday, June 27, 2014

Hog Prices: ↑↓ Soymeal: ↑

Corn: ↔ CDN Dollar: ↑

US Slaughter	
397,000	Thursday
408,000	Thursday (year ago)
W. Corn Belt	\$125.46
National Price	\$123.12
Daily Sig 3	\$246.23
Daily Sig 4	\$233.99
Thunder Creek	\$246.73
4-Month Fwd.	\$207.84
B of C Ex. Rate (Noon)	
\$1.0707 CAD/ \$0.9340 USD	
Cash Prices Week Ending June 27, 2014	
Signature 3	111.37/245.53
Signature 4	104.10/229.50
h@ms Cash	103.42/228.00
Hylife	n/a
Thunder Creek	107.37/236.70
ISO Weans	\$76.75 US Avg.
Feeder Pigs	\$115.27 US Avg.
#1 Export Sows (+500lbs)	\$71.00/cwt. tagged

Forward contract prices opened mixed this morning.

US cash markets are trading firm to finish the week even after the pork cut-out pulled back from the record high levels hit earlier this week. Packers still have strong incentive to maximize their slaughter schedule, as next week's July 4, US long weekend and ideas of tighter supplies lead many to believe there is still more upside in wholesale pork prices. However, it is difficult to reconcile the current high prices against recent pork production when recent years are used a baseline. Pork prices remain about 18% higher than year ago levels, while year to date pork production is almost the same. The difference may be explained by a shift in the demand for pork, with an improved outlook for the US economy and higher priced competing meats. The 2:00PM (CDT) release of the Hogs and Pigs report could be a lightning rod for price volatility over the next week. Within the market, there are participants that believe we could see slaughter levels decline by 8% compared to year ago levels over the next 2 months, while others anticipate more moderate declines and expect heavy carcass weights to offset the lower numbers. Producers cautious of price volatility should consider pricing as much as 30% of the late summer/early fall production, and set targets \$5-\$10/kg higher than current prices for the winter months.

Canadian delivered soymeal prices opened higher this morning.

New crop fundamentals are pressuring along with optimistic crop data expectations ahead of the Crop Progress, Plantings and Grains Stocks reports all released Monday. Estimated planted acreages range between 80.5 million and over 84 million acres implying the 2014/15 ending stocks could be over 400 million bu. assuming trend line yields and steady demand. Support comes from some wetter than warranted weather in the northern Midwest and thoughts that the S. American export pace is slower than average.

Canadian delivered corn prices opened even this morning.

While demand from the ethanol sector has been supportive lately, new crop sales have been described as 'disappointing'. Until recently, the weather had been labelled as ideal but more recently, there is increasing talk of too much rainfall in the northern Corn Belt; more is expected this weekend. Monday's report on planted acreage is expected to come in between 91.0 and 92.2 million acres. There is a lot of crop information being released on Monday but the Planting (acreage) report is expected to be most influential.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3			228.77	209.66	204.73	170.15	171.62	163.80	161.98	161.98	164.34
			243.61	219.95	213.08	181.93	178.01	163.80	165.27	163.46	167.31
Maple Leaf Sig. #4			225.71	204.26	202.05	168.57	173.33	162.62	161.44	161.44	161.63
			236.19	219.63	206.81	182.46	176.94	163.01	164.91	162.20	164.31
Soymeal Winnipeg Delivered	587	587	587	587							
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

