

Wednesday, July 02, 2014

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

US Slaughter	
411,000	Tuesday
425,000	Tuesday (year ago)
W. Corn Belt	\$123.81
National Price	\$124.50
Daily Sig 3	\$242.29
Daily Sig 4	\$235.93
Thunder Creek	\$242.95
4-Month Fwd.	\$214.19
B of C Ex. Rate (Noon) \$1.0676 CAD/ \$0.9367 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	103.77/228.78
Thunder Creek	107.37/236.70
ISO Weans	\$75.87 US Avg.
Feeder Pigs	\$110.18 US Avg.
#1 Export Sows (+500lbs)	\$75.00/cwt. tagged

Forward contract prices opened mixed this morning. US

cash markets traded near steady yesterday, with packers attempting to meet the slaughter requirements without bidding the cash market higher. In the short term, hog supply (relative to packer demand) is abundant with Friday, July 4th being a holiday for all US plants. Pork demand has been strong by most measures leading up to this week's holiday, but wholesalers pulled back on their bids for fresh pork as they already have their inventory for the spike in consumption over the long weekend. Yesterday's futures trade saw the nearby contracts come under pressure, while the fall and winter month contracts added to Monday's 'limit up' gains. The market remains volatile following the Hogs and Pigs report release last Friday, with the biggest effect seen in the 2015 forward prices that have seen gains of nearly 8%. This morning's trade has seen negative influence on the summer month prices due to the drop in the pork cut-out, but most anticipate cash prices will find support after the long weekend.

	'14 as % of '13	Pre-Report Est.	Actual minus Est.
All Hogs and Pigs	95.9	97.0	-1.1
Kept for Breeding	99.4	101.6	-2.2
Kept for Marketing	95.5	96.6	-1.1
< 50 lbs.	94.1	98.1	-4.0
50-119 lbs	94.1	96.3	-2.2
120-179 lbs.	96.1	95.3	+0.8
180+ lbs.	96.2	96.4	-0.2

Source: Meyer and Steiner, Daily Livestock Report, Umer Barry

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Canadian delivered soymeal prices opened lower this morning.

Old crop supply tightness is influencing a higher trade for the July contract while the deferred contracts are pressured by Monday's USDA report showing a record number of planted acres in some of the best condition ever. The recent wet weather elicits mixed emotions from farmers; on the one hand replenishing moisture levels in drought areas, but contributing to flooding in localized northern areas on the other. Brazil is looking to market a record crop, but likely stalled by infrastructure issues (not to mention the World Cup).

Canadian delivered corn prices opened lower this morning. US

corn futures are trading lower. While planted acres came in around expectations, the continued bearish pressure is coming from higher than expected inventory levels. Analysts note pressure is likely to remain as a result of the high(er) ending stocks estimates, relatively high acreages and trend-line yields. As well, feed use is now likely to be revised lower, and with the current variety dispute with China, this important market could factor negatively on export expectations.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		235.84 246.84	216.03 227.03	211.96 220.31	180.46 192.24	181.94 188.31	175.68 175.68	172.77 177.16	172.77 174.25	174.72 177.67
Maple Leaf Sig. #4		231.98 239.32	211.13 225.92	208.49 213.24	177.99 191.86	183.69 186.35	174.12 174.50	171.88 176.41	171.88 172.64	171.67 174.33
Soymeal Winnipeg Delivered	584	584	584							
Corn Wpg. Delivered	177									

STRENGTH IN NUMBERS

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IMPORTANT NOTICES

h@ms Marketing Forward Contracting will be suspended Friday, July 4 as a result of Independence Day in the United States. Markets are closed Friday.