

Tuesday, July 08, 2014

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

US Slaughter	
387,000	Monday
407,000	Monday (year ago)
W. Corn Belt	\$130.23
National Price	\$127.08
Daily Sig 3	\$254.51
Daily Sig 4	\$240.50
Thunder Creek	\$255.08
4-Month Fwd.	\$219.21
B of C Ex. Rate (Noon)	
\$1.0662 CAD/ \$0.9379 USD	
Cash Prices Week Ending July 4, 2014	
Signature 3	111.82/246.52
Signature 4	107.61/237.23
h@ms Cash	106.93/235.73
Hylife	107.04/235.98
Thunder Creek	111.63/246.10
ISO Weans	\$76.60 US Avg.
Feeder Pigs	\$115.83 US Avg.
#1 Export Sows (+500lbs)	\$75.50/cwt. tagged

Forward contract prices opened mixed this morning. US cash markets moved sharply higher in trade yesterday, but failed to result in a larger hog run for packers with the daily slaughter estimated at 387,000 hogs. Last week's holiday affected slaughter was reported at 1.78 million hogs, close to 9% lower than year ago levels. Average carcass weights remained at 215lbs, historically high, but not large enough to offset the lower hog numbers as pork production was down 3.5% from year ago levels. The Western Corn Belt and Iowa/S. Minnesota regions reported more than a \$3.00/cwt jump in cash prices yesterday, narrowing the gap with the summer month futures. In spite of the bullish setup for the cash market, futures are mixed today. Traders are cautious about the gains made over the last week, as technical indicators all point to an overbought condition. However, the tight supply due to PED losses is the overarching factor that is driving market and is expected to support the fall and winter month contracts in the near term.

Canadian delivered soybean prices opened lower this morning. The downward trend continues ahead of July's WASDE report (released Friday), expected to show 2013/14 ending stocks slightly higher than June estimates. 2014/15 ending stocks are also higher, pegged at ~417 million bu., adding pressure further out. As well, yesterday's Crop Progress showed 72% of the current crop is in good/excellent condition and is also expected to be the second best crop on record assuming normal weather patterns. There is not much support for soybeans currently, but a major weather event could change the situation quite quickly.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. US corn is currently hovering around ~\$4 USD/bu. but has also dipped below the \$4 mark, an event passing previously monitored support levels and leaving traders to wonder how close to the bottom the current trade is getting. More pressure is expected for the crop, however, as Friday's WASDE report is expected to show slightly raised 2013/14 and 2014/15 ending stocks as well as preliminary talk of 170+ bpa yields for the new crop. Support comes from talk that US corn is technically oversold and some short covering.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		241.09 247.65	222.97 233.25	218.11 226.46	187.77 199.55	189.24 195.63	180.67 180.67	176.28 182.15	176.28 177.76	176.64 179.57
Maple Leaf Sig. #4		236.31 240.10	217.15 231.94	214.45 219.20	185.06 198.95	189.82 193.43	178.96 179.34	175.28 181.25	175.09 176.04	173.51 176.15
Soymeal Winnipeg Delivered	559	559	559							
Corn Wpg. Delivered	177									

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