

Friday, August 15, 2014

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

US Slaughter	
406,000	Thursday
427,000	Thursday (year ago)
W. Corn Belt	\$104.77
National Price	\$114.03
Daily Sig 3	\$209.54
Daily Sig 4	\$220.84
Thunder Creek	\$208.89
4-Month Fwd.	\$173.31
B of C Ex. Rate (Noon)	
\$1.0911 CAD/ \$0.9165 USD	
Cash Prices Week Ending August 15, 2014	
Signature 3	100.18/220.85
Signature 4	102.88/226.80
h@ms Cash	102.20/225.30
Hylife	n/a
Thunder Creek	104.92/231.30
ISO Weans	\$68.98 US Avg.
Feeder Pigs	\$107.74 US Avg.
#1 Export Sows (+500lbs)	89.00/cwt. tagged

Forward contract prices opened higher this morning. US cash markets are finishing this week with prices \$10/cwt. lower than week ago levels resulting in the sharpest cash market drop experienced so far this year. However, there are indications that the worst is behind us, with the pork cut-out gaining \$1.71/cwt in trade yesterday, largely due to a run-up in pork belly prices. Packer buying programs have been driven almost completely by margin management over the last three weeks, explaining why cash bids have moved so decisively lower. Lean Hog futures appear to have bottomed out yesterday with the October and December contracts trading at their lowest levels since early March. This morning's trade was supported by the gains in pork product values seen yesterday and ideas that the sell-off may have been overdone given that hog supplies are anticipated to be tight due to PEDv losses for the next two months. The market remains emotional and volatile as a result, so producers looking to add protection in the winter timeframe should consider using targets placed \$10/kg higher than current forward prices.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mixed, a feature of the current uncertainty in the marketplace amid low official new crop numbers from the WASDE report and decent demand data (adding support) but overall thoughts that the new crop is poised for record yields (adding pressure). The overnight session traded lower but has since turned higher as of this writing. Weather and supply concerns will soon wane as the market focuses on more demand-side data. However, there are still looming concerns over early frost damage.

Canadian delivered corn prices opened mixed this morning. US corn futures are trading higher. As with soybeans, demand data has been supportive for now, but there are some concerns that US corn could face some export competition from the Ukraine as well as challenges with the Chinese who have been banning certain varieties that are approved elsewhere. However, Chinese weather has not been cooperative and there is talk their import criteria could quickly become less picky if supply issues appear. The trade will be watching the Pro Farmer Crop Tour beginning next week for interim yield information.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		183.75 186.24	178.69 187.19	160.58 170.59	162.08 168.59	158.20 163.72	161.31 165.22	161.31 162.81	163.82 168.85
Maple Leaf Sig. #4		180.74 189.24	178.65 183.30	160.54 173.71	165.38 169.07	161.84 163.98	161.45 165.73	161.26 162.23	161.76 166.83
Soymeal Winnipeg Delivered	556	556	457	452	452	452	449	449	
Corn Winnipeg. Delivered	157	160							

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution (including email forwarding) of the HMO is strictly prohibited.

STRENGTH IN NUMBERS



Some Important h@ms Marketing Phone Numbers

Main Switchboard: 204-233-4991

Logistics Coordinator (Crystal): 204-235-2225

Forward Contracting: 204-235-2237

Toll Free: 1-800-899-7675

