

Wednesday, September 10, 2014

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

US Slaughter	
405,000	Tuesday
427,000	Tuesday (year ago)
W. Corn Belt	\$101.21
National Price	\$97.40
Daily Sig 3	\$204.29
Daily Sig 4	\$190.38
Thunder Creek	\$204.02
4-Month Fwd.	\$181.91
B of C Ex. Rate (Noon)	
\$1.1012CAD/ \$0.9081 USD	
Cash Prices Week Ending September 05, 2014	
Signature 3	84.94/187.25
Signature 4	83.75/184.63
h@ms Cash	83.07/183.13
Hylife	82.98/182.94
Thunder Creek	83.82/184.80
ISO Weans	\$58.79 US Avg.
Feeder Pigs	\$80.42 US Avg.
#1 Export Sows (+500lbs)	not available

**Forward contract prices opened mixed this morning.** US cash markets continue to strengthen, moving higher than the bench mark \$100/cwt in trade yesterday. Hog supplies remain tight and are resulting in a weekly hog slaughter that is consistent with the last 3 weeks (after accounting for Labour Day). Typically, hog slaughter climbs about 10% from mid-August to Mid-September, but with PEDv losses experienced in March, the normal seasonal trend has been muted. Throughout the summer, heavy carcass weights helped to offset the deficit in numbers, but producers have been pulling hogs ahead of schedule and weights have been falling. Lean Hog futures continue to experience massive volatility, reflecting a void of information on future supplies. The October contract is trading near its highest level since late July on strong cash fundamentals, while most of the remaining contracts have lost the majority of yesterday's gains. Recent weakness in the Canadian Dollar has been supportive to Canadian hog prices with the Loonie trading near the lowest level since late April.

**Canadian delivered soymeal prices opened mixed this morning.** US soybean futures are trading higher. While weather in the northern states has been cited as a potential issue, the recent support is not clearly identified save for thoughts of technical short covering ahead of the WASDE report tomorrow, which is rumored to be bearish. The USDA is widely expected to raise yield estimates. Private estimates have pushed past 47 bpa and the November contract is trading below \$10 as of this writing. Adding pressure is news coming from S. America that farmers could be increasing bean acreage by up to 5%.

**Canadian delivered corn prices opened lower this morning.** US corn futures are trading higher. As with soybeans, there is talk of short covering ahead of tomorrow's USDA report being supportive. But generally, the corn trade is expected to see some more pressure after the USDA releases updated estimates. Trader estimates ahead of the WASDE report are showing an increase to 170.7 bpa from August's 167.4 and some private forecasts have approached 175 bpa as a national average (!). However, with all the focus on the supply side, demand side changes to the report could unexpectedly surprise the market.

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		202.69 206.22	180.51 188.57	182.02 188.07	168.94 174.50	165.95 176.02	167.47 171.00	171.89 174.93	173.37 180.46	178.43 184.51	181.16
Maple Leaf Sig. #4		200.57 203.50	179.29 189.25	183.39 187.10	167.02 173.28	165.69 174.26	165.69 169.41	169.78 171.94	170.53 178.57	176.81 181.71	177.89
Soymeal Winnipeg Delivered	722	449	432	432	429	429	425				
Corn Wpg, Delivered	153	153									

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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

