

Friday, January 02, 2015

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

Forward contract prices opened higher this morning.

US cash markets continued to come under pressure to close out the last week in 2014's 53-week year. Cutout values are lower with the holiday period now over and ample supplies currently available. Hog weights continue to be higher than anytime on record at this time of year (286.9 lbs.), but are starting to converge with 2013 numbers (when weights were at their 2013 peak). Slaughter for the week will be difficult to estimate with any certainty, and due to the holiday period, comparing the kill relative to week or year ago could create more 'noise' as opposed to providing meaningful insight on market direction. In any event, analysts estimate the count so far at 1.243 million head, up from last week (1.043 mil.) and last year (811,000). Lean hog futures are choppy and two-sided to finish the week. There is a lot of uncertainty to start 2015 and PEDv numbers have been unpredictable; to this point they do not resemble last year's trend yet nor are they anywhere near 'epidemic' proportions. However, the disease is not completely reigned in and recently reported accessions were almost double their week-previous levels amid some reports of second outbreaks adding to the uncertainty.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading lower. Pressure comes from a general bearish tone to the market amid large ending stocks expectations, good production from S. America and large crops for next year. Nearby futures were lower across the complex by ~18% on average and are expected to move lower in 2015. However, logistics issues and strong local basis are still supportive.

Canadian delivered corn prices opened even this morning.

US corn futures are trading lower. The nearby contract is currently trading under \$4.00USD/bu. a level not seen since early October when the harvest wrapped up. Strong USD and lower commodities in general are adding to the pressure today, but exports will be expected to pick up as the US product becomes more competitive internationally.

US Slaughter	
373,000	Wednesday
0	Wednesday (year ago)
W. Corn Belt	\$75.88
National Price	\$78.16
Daily Sig 3	\$161.36
Daily Sig 4	\$160.95
Thunder Creek	\$161.08
4-Month Fwd.	\$173.50
B of C Ex. Rate (Noon)	
\$1.1601 CAD/ \$0.8619 USD	
Cash Prices Week Ending January 03, 2015	
Signature 3	160.40/72.76
Signature 4	162.46/73.69
h@ms Cash	160.96/73.01
Hylife	n/a
Thunder Creek	159.30/72.26
ISO Weans	\$65.80 US Avg.
Feeder Pigs	\$87.13 US Avg.
#1 Export Sows (+500lbs)	n/a this week (Tagged)

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #3	165.03	164.34 166.64	165.95 169.72	170.60 173.83	183.14 190.68	188.53 194.99	187.97 193.89	178.87 187.92	162.17 170.25	160.11 163.88
Maple Leaf Sig. #4	163.56	163.20 164.60	163.20 167.16	167.29 169.58	178.70 187.26	185.38 190.60	186.19 190.79	180.62 185.11	161.42 176.87	160.47 162.98
Soymeal Winnipeg Delivered	529	484	484	473	473					
Corn Wpg, Delivered	190									

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.