

Tuesday, February 17, 2015

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

## Forward contract prices opened mixed this morning.

Most US packers were operating yesterday in spite of the US President's Day holiday which prevented price reporting information from being re-released. Hog and pork supplies are clearly burdensome with last week's slaughter up over last year's by 6% and carcass weights running 1.5% heavier. At this time last year, the real effects of PEDv losses were just starting to become evident which helps to explain the 30% discount that cash prices are currently trading at compared to year ago levels. April Lean Hog futures continue to be heavily influenced by bearish cash market fundamentals and are trading at a smaller than average premium to the current cash market. Traders are watching for signs of increased export sales, especially to Mexico, where the lower prices could help clear the growing inventory of pork. Producers should consider hedging a portion of their Aug-Dec production, as this timeframe has not been as influenced by the weaker cash market.

## Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher. Technical short covering, thoughts that China will pick-up demand, and strength in grains, in part, as a result of rising tensions in the Ukraine are supportive factors to the trade this morning. However, traders are preparing for a weakening cash market as South American supplies become available in the next couple months, replenishing pipelines and pressuring forward pricing contracts amid ample supplies.

## Canadian delivered corn prices opened even this morning.

US corn futures are trading higher. As with soybeans, short covering and strength in grains is viewed as supportive. As well, traders appear to be taking positions ahead of the USDA Outlook Forum, where acreage and production estimates will be released over two days, on Thursday and Friday. The Outlook Forum is generally accepted as an event where the first official numbers will be released by the USDA for next season's crops.

US Slaughter	
2.222 mil.	Last Week
2.095 mil.	Last Week (year ago)
W. Corn Belt	\$57.06
National Price	\$64.35
Daily Sig 3	\$130.21
Daily Sig 4	\$142.20
Thunder Creek	\$130.41
4-Month Fwd.	\$ 159.97
<b>B of C Ex. Rate (Noon)</b>	
\$1.2449 CAD/ \$0.8032 USD	
<b>Cash Prices Week Ending February 14, 2015</b>	
Signature 3	135.73 / 61.57
Signature 4	148.33 / 67.28
h@ms Cash	146.83 / 66.60
Hylife	146.18 / 66.31
Thunder Creek	145.00 / 65.77
ISO Weans	\$36.57 US Avg.
Feeder Pigs	\$67.68 US Avg.
#1 Export Sows (+500lbs) \$33.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Maple Leaf Sig. #3		136.46 138.17	138.88 142.30	163.20 173.47	171.19 178.04	174.09 180.37	168.56 176.55	153.71 162.85	140.98 155.80	132.42 138.12
Maple Leaf Sig. #4		136.56 140.76	140.68 143.11	161.68 172.96	170.97 176.50	174.77 179.64	172.52 175.61	155.15 171.52	148.00 156.51	137.18 144.91
Soymeal Winnipeg Delivered	514	504	501	501	495	495	493	497		
Corn Wpg, Delivered	191									

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