

Wednesday, April 01, 2015

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

## Forward contract prices opened higher this morning. US

cash markets are called steady to lower today with ISM and WCB reporting regions lower by an average of \$0.17 USD/cwt and the National reporting region up 12¢. Slaughter numbers remain high relative to 2014 at 426,000 when 411,000 was reported in the same week. Carcass weights, while remaining high, are starting to come down and are now averaging 214 lbs. as of the last data available (w/e March 28). This is down from the highs in 2014 when average weights for the comparable week were 215 lbs., as producers added weight to help mitigate PEDv losses. Lean hog futures continue to show relative strength following the latest Hogs and Pigs report. The general consensus is that there will definitely be more pork in the marketplace, but the reaction to the report (higher deferred contract values), while expected, has shown some unexpected resilience in the nearby months. The effect of this is an approximate \$6 CAD/kg 'premium' over Friday's close when comparing certain contract months. Producers without protection in fall are encouraged to consider this as a potential hedging opportunity during this timeframe.

## Canadian delivered soymeal prices opened higher this morning.

US soybean futures showed initial support after the release of the Prospective Planting and Grain Stocks reports yesterday despite some 'bearish' numbers relative to last year. The reason stems from the importance of market expectations relative to the reports rather than the year over year comparisons. The expectation for March 1 beans was 1.346 billion bu. but came in lower at 1.33 billion. Expectations for acreage were on average 85.92 million acres and came in at 84.6 which is still a record, but lower than expectations. The net result is support in the market, for now.

## Canadian delivered corn prices opened even this morning.

Unlike soybeans, US corn was bearish following the release of the Prospective Plantings and Grain Stocks reports. March 1 stocks came in at 7.74 billion bu. up from the 7.61 average pre report estimate (and also up 11% from last year). Acreage is estimated at 89.2 million acres that while down from last year, was up from the 88.7 million acre pre-report average estimate. Market reaction was decisively bearish considering the two reports, but there is a lot of weather uncertainty between now, actual planting and harvest.

US Slaughter	
426,000	Tuesday
411,000	Tuesday (year ago)
W. Corn Belt	\$56.25
National Price	\$61.59
Daily Sig 3	\$130.77
Daily Sig 4	\$138.66
Thunder Creek	\$130.99
4-Month Fwd.	\$167.63
<b>B of C Ex. Rate (Noon)</b>	
\$1.2683 CAD/ \$0.7885 USD	
<b>Cash Prices Week Ending March 28, 2015</b>	
Signature 3	130.38/59.14
Signature 4	140.71/63.83
h@ms Cash	128.88/58.46
Hylife	138.57/62.85
Thunder Creek	136.80/62.05
ISO Weans	\$32.46 US Avg.
Feeder Pigs	\$65.61 US Avg.
#1 Export Sows (+500lbs) \$38.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #3		149.85 164.90	164.90 171.85	170.05 176.43	165.93 174.04	155.73 162.68	145.02 158.69	136.29 142.11	141.53 145.60	141.53
Maple Leaf Sig. #4		149.93 165.40	165.40 171.01	171.41 176.35	170.78 174.48	157.87 172.24	152.61 160.09	141.79 149.45	145.84 149.45	145.84
Soymeal Winnipeg Delivered	491	491	488	489	487	484	483	483	483	
Corn Wpg, Delivered	198									

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.



### Important Notice:

h@ms Marketing Services will be closed Friday, April 3rd to observe Good Friday. Risk Management and the General Office will be open Monday, April 6 with a minimized staff.

STRENGTH IN NUMBERS

