

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

Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, May 28, 2013

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US Slaughter	
2.054 mil.	Last Week
2.070 mil.	Last Week (year ago)
W. Corn Belt	\$89.45
National Price	\$93.60
Daily Sig 3	\$169.36
Daily Sig 4	\$171.60
Thunder Creek	\$170.41
4-Month Fwd.	\$163.43
1 Export Sows (+500lbs) \$ 50.50 cwt.	
B of C Ex. Rate (Noon) \$1.0329 CAD/\$0.9681 USD	
Cash Prices: Week Ending May 24, 2013	
Signature 3	76.62/168.91
Signature 4	77.54/170.94
h@ms Cash	76.86/169.44
Hylife	76.89/169.52
Thunder Creek	75.61/166.70
ISO Weans	\$25.17 US Avg.
Feeder Pigs	\$51.18 US Avg.

Forward contract prices opened higher this morning. US cash markets are called to open this holiday-reduced slaughter week slightly higher as packers will look to make up for the lost slaughter day and expand hours in the schedule for the remainder of this week. Early evidence suggests that retail pork demand performed reasonably well given that available supplies grew over last year's levels; retail prices were better than year-ago. Cash hog prices are now trading close to 10% higher than year ago levels, but packer margins remain tight and will need to be addressed either by higher wholesale pork prices or lower cash bids. Lean Hog futures are trading higher this morning, buoyed by higher cash prices and bullish technical indicators after last week's rally in all contracts. However, the nearby contracts are trading at a better than average premium to the cash market which could limit further gains. Forward prices for the summer and early fall month represent good value, providing a good pricing opportunity for producer looking to add certainty to their near term cash flow.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. There are reports that a weather premium is being factored into futures prices. The 6-10 day forecast is drier in critical growing areas of the Corn Belt (Iowa), but more rain is forecast further out and Iowa has already seen a 3-400% increase in precipitation over 'normal' in the last 7 days. Supplies remain tight on news that the September to April crush was 4.8% above last year, counter to an expected 4% decrease on the year.

Canadian delivered corn prices opened higher this morning. US corn futures are trading higher. A bearish tone is still forecast by traders who identify that, following last year's drought, the moisture is good for prospective yields. However, the recent rain has also prevented farmers from getting onto fields adding support in the short term. Normally released Mondays, the Crop Progress report will be available later today, delayed as a result of the US Memorial Day long weekend.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
(Maple Leaf Sig. #3)		172.26 174.64	162.03 170.89	153.93 155.84	147.59 155.22	139.28 145.49	142.15 145.01	142.26 147.97	148.45 151.78	147.08 149.46
(Maple Leaf Sig. #4)		172.16 173.45	168.62 170.83	154.97 161.79	151.24 155.86	141.35 149.48	143.38 147.08	143.11 146.24	148.82 151.96	148.69 150.72
Soymeal Delivered	561	562	568	568	445	443	443			
Corn Delivered	296	298	300							

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