

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

Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, May 29, 2013

For details call: (204)235-2237 or visit
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US Slaughter	
424,000	Tuesday
422,000	Tuesday (year ago)
W. Corn Belt	\$91.56
National Price	\$94.17
Daily Sig 3	\$174.06
Daily Sig 4	\$173.36
Thunder Creek	\$174.54
4-Month Fwd.	\$163.96
1 Export Sows (+500lbs) \$ 50.50 cwt.	
B of C Ex. Rate (Noon) \$1.0371 CAD/\$0.9642 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 mixed this morning.

In an early morning press release this morning, Smithfield Foods, the largest hog producer/processor in the US, announced they had sold the whole company to China's Shuanghui International Holdings for \$7.1 Billion in cash and assumed debt. Shuanghui International Holdings is the majority shareholder in China's largest meat processor, Henan Shuanghui Investment & Development Co. When completed, the deal will represent the largest Chinese takeover bid of a US company in history. The announcement appears to have had a mildly positive impact on Lean Hog futures, with all offered contracts gaining value. The transaction brings some uncertainty about future investment in the industry, but the possibility of improved access to the Chinese consumer would be the biggest benefit to the North American pork industry as a whole.

Canadian delivered soymeal prices opened mixed this morning.

US soybean futures are trading lower. Yesterday's rally was unexpected from a technical standpoint, but there are thoughts that the recent weather patterns in the US and the strike in Argentina were factors in the sharp rise upward. US farmers planted 20% of the intended soybeans last week for a total of 44%; the 18-state, 5-year average is 61%. South American exports are eminently expected in the marketplace (double from Paraguay over last year), but the Argentine port workers' strike is adding uncertainty.

Canadian delivered corn prices opened lower this morning.

US corn futures are trading mixed. A wetter forecast in the northwest Corn Belt was a factor in the move higher yesterday; private analysts are starting to estimate crop production and carryout using a lower than USDA acreage estimate. While estimates are coming in lower than expectations, estimated carryout remains the largest since 2009/10. Crop progress is reported at 86% complete compared to the 90% 18-state, 5-year average.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
(Maple Leaf Sig. #3)		171.87 174.25	163.11 171.30	155.02 156.92	148.57 156.20	140.47 146.66	143.33 146.19	144.87 150.63	152.07 154.47	149.71 152.11
(Maple Leaf Sig. #4)		171.78 173.07	165.97 171.22	156.01 162.83	152.18 156.79	142.49 150.61	144.52 148.21	145.68 148.84	151.44 154.60	151.29 153.34
Soymeal Delivered	557	558	564	564	454	453	453			
Corn Delivered	290	292	294							

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