

Friday, September 27, 2013

Forward contract prices opened higher this morning. US

cash markets are holding firm to finish the week as packers are still having a difficult time meeting their kill requirements, but are hesitant to bid away their profitable operating margins. US hog supplies have run about 7% lower than last year for the month of September, a significant discrepancy from what was anticipated. As a result, prices have been immune to the normal seasonal pressure and are now trading at a 30% premium over prices experienced at this time last year. Lean Hog futures are focused on this afternoon's release of the USDA Hogs and Pigs report, which should shed some light on the current deficit in hog supplies. The results of the report have the potential to move the market either limit up or down given the recent uncertainty in hog supply. However, most analysts expect a 'hole' in the inventory of the heaviest market hog category of about 5% under year ago levels, while the middle weight ranges are expected to come in close to 2% lower.

Analyst Estimates for Hogs and Pigs Report

	Average	Range
All on Sept. 1	98.6	96.4-100.3
Breeding	101.5	100.6-102.0
Marketing	98.3	98.9-100.2
Under 50 lbs.	98.8	97.0-101.6
50-119 lbs.	98.9	96.1-100.0
120-179 lbs.	98.3	95.9-101.1
180+ lbs.	96.2	94.0-99.3

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

US Slaughter	
431,000	Thursday
432,000	Thursday (year ago)
W. Corn Belt	\$92.30
National Price	\$96.81
Daily Sig 3	\$174.62
Daily Sig 4	\$177.36
Thunder Creek	\$174.72
4-Month Fwd.	\$158.69

B of C Ex. Rate (Noon)	
\$1.0321 CAD/\$0.9688 USD	

Cash Prices Week Ending September 27, 2013	
Signature 3	79.38/175.01
Signature 4	80.58/177.65
h@ms Cash	79.90/176.15
Hylife	n/a
Thunder Creek	81.47/179.60

ISO Weans	\$42.11 US Avg.
Feeder Pigs	\$59.93 US Avg.
#1 Export Sows (+500lbs)	\$ 70.00 cwt.

h@ms 2013 Fall Marketing Meeting Schedule

Date and Time	Location
Nov. 7 @ 12:00 PM (Thurs.) - with lunch	Starbuck Community Hall - 25 Main Street, Starbuck
Nov. 8 @ 12:00 PM (Fri.) - with lunch	Smitty's - 145 Park Rd. W., Steinbach

Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher. There are expectations of revisions to new crop yield estimates with many analysts expecting revisions lower; 1 bpa equates to approximately 76 million bu. or 2 million tonnes. As well, the USDA's quarterly Grain Stocks report is set to be released Monday at 12:00PM, Eastern. If there are any surprises in the report, most analysts are biasing toward a bullish trade with September 1 stocks around 125 million bu., a 9-year low.

Canadian delivered corn prices opened even this morning. US

corn futures are trading higher. Unlike soybeans, preliminary new crop yield reports are coming in better than expectations, adding pressure. Analysts note that recent uptrends have been in part a function of technical short covering but the trade expects a bearish bias moving forward. Short term support is expected Monday from the USDA's Grain Stocks report, anticipated to show relatively low September 1 stocks of 680 million bu., a 17-year low.

Fixed Forward Range	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		153.55	516.39	154.98	162.09	157.35	159.99	167.20	171.49	171.60
		159.70	159.23	161.62	164.47	160.67	166.67	174.83	177.69	174.46
Maple Leaf Sig. #4		153.82	156.21	155.59	161.28	158.25	158.44	166.25	169.94	172.08
		162.26	159.87	158.71	162.02	161.01	164.72	173.82	174.56	173.74
Soymeal Winnipeg Delivered	523	496	496	499	497	498				
Corn Wpg Delivered	229	192	194							

This information is intended to aid producers in making pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the authors' consent.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS