

Monday, September 30, 2013

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

Forward contract prices opened mixed this morning. US cash markets are expected to open steady to lower, with no direct influence from Friday's USDA Hogs and Pigs report. However, winter month Lean Hog futures are trading sharply lower in response to the controversial results. The most significant result of Friday's report was a lack of any impact from the PED virus on any of the market hog categories. While the report does not measure the impact of PED virus specifically, analysts and traders were anticipating it to show that market hog supplies would be about 2% lower than year ago levels. Instead, it showed more than 1% increase in most of these categories, resulting in a massive discrepancy (3%) between expectations and results. Further to this, there was consensus that the industry would start to see signs of expansion through a larger Breeding herd, but this category of the report came in well under the range of analysts' estimates at 100.4% of year ago numbers.

US Slaughter	
2.190 mil.	Last Week
2.341 mil.	Last Week (year ago)
W. Corn Belt	\$92.26
National Price	\$96.27
Daily Sig 3	\$174.19
Daily Sig 4	\$176.00
Thunder Creek	\$175.98
4-Month Fwd.	\$157.82

Analyst Estimates vs. Hogs and Pigs Report

	Average	Report %
All on Sept. 1	98.6	100.3
Breeding	101.5	100.4
Marketing	98.3	100.3
Under 50 lbs.	98.8	100.9
50-119 lbs.	98.9	101.1
120-179 lbs.	98.3	101.5
180+ lbs.	96.2	96.5

B of C Ex. Rate (Noon)
\$1.0300 CAD/\$0.9708 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	79.72/175.75
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 lower. The quarterly Grain Stocks report will be released today with pre-report estimates coming in around 125 million bu. (a 9-year low) adding support. However, there is talk that tight (current) stocks will be less of a market influence with the harvest ramping up (estimated at 13% complete, up from 3% last week). As well, S. American production increases are now pegged at 10.1 million tonnes, keeping the bulls in check.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. Yield reports from producers continue to reflect better than expectations adding pressure. However, low pre-Grain Stocks report estimates are hovering around 680 million bu., (a 17-year low) adding support. The trade remains predominantly bearish for 2013/14 although there is talk of a large swing in production in S. America (estimated at 10-12 million tonnes) from corn to soybeans next season which could support the trade further out.

Fixed Forward Range	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		154.11	156.94	152.47	159.57	155.64	158.66	166.44	170.73	170.72
		160.25	159.78	159.10	161.94	158.95	165.33	174.06	176.92	173.57
Maple Leaf Sig. #4		154.36	156.73	153.15	158.83	156.58	157.15	165.51	169.20	171.22
		162.77	160.39	156.27	159.57	159.33	163.42	173.08	173.82	172.88
Soymeal Winnipeg Delivered	523	496	496	497	498	499				
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.

**Industry People are encouraged to register for
Brandon Hog Days: To be held on December 12, 2013**
**Please register as your commitment is Imperative
for another successful year!**
Registration Date: October 1

