



# Hog Margin Outlook

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Monday, October 07, 2013

## Forward contract prices opened higher this morning.

The US cash market continues to operate with no USDA market reports or slaughter/carcass data available to the industry. Last week's daily prices across most of North America were largely established by using the last reported price on Monday, September 30<sup>th</sup>. While there is still uncertainty as to how prices would be established for this week's trade, one US packer (Tyson Foods) have said that they intend to use a private data provider (Urner Barry) as the basis for their purchases this week. In the wake of the US Federal Government shutdown, Lean Hog futures have effectively taken on a life of their own, largely out of necessity. There has been no new significant cash market information to influence the futures, as well as no new information on the size of open positions by type of trader as is typically reported on the CFTC's Commitment of Traders report.

\* n/a as a result of the partial US government shutdown.

## Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading lower. Crop Progress and Production reports are shelved for now and there are conflicting reports regarding whether or not the WASDE report will be released on the 11<sup>th</sup> amid the US government shutdown. A private firm has lowered estimates to 3.176 bu. from 3.224; the last USDA's estimate was 3.149 bu. Snow (!) and rain hit areas of the Corn Belt over the weekend delaying harvest, but there is a drier forecast for the next 5-6 days.

## Canadian delivered corn prices opened higher this morning.

US corn futures are trading higher which some are attributing to a market correction as a result of corn's current (technically) oversold position. Pressure comes from higher anticipated yields, export competition and low trading volumes. As a result of having no access to USDA data, there is talk that trading volumes could be lowered yet, amid rumors of large investors exiting the market due to uncertainty in (their) risk exposure.

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

US Slaughter	
n/a*	Last Week
n/a*	Last Week (year ago)
W. Corn Belt	\$ n/a*
National Price	\$ n/a*
Daily Sig 3	\$ n/a*
Daily Sig 4	\$ n/a*
Thunder Creek	\$ n/a*
4-Month Fwd.	\$158.82
<b>B of C Ex. Rate (Noon)</b> \$1.0306 CAD/\$0.9703 USD	
<b>Cash Prices Week Ending October 4, 2013</b>	
Signature 3	77.36/170.55
Signature 4	79.79/175.91
h@ms Cash	79.11/174.41
Hylife	79.08/174.33
Thunder Creek	79.38/175.00
ISO Weans	\$n/a* US Avg.
Feeder Pigs	\$n/a* US Avg.
#1 Export Sows (+500lbs)	\$ 73.50 cwt.

Fixed Forward Range	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		153.18	156.02	155.69	162.80	158.15	160.38	168.33	172.61	170.15
		159.33	158.86	162.33	165.17	161.47	167.04	175.93	178.79	175.87
Maple Leaf Sig. #4		153.47	155.85	156.27	161.97	159.03	158.81	167.33	171.01	170.49
		161.90	159.52	159.40	162.70	161.79	165.07	174.88	175.61	175.10
Soymeal Winnipeg Delivered	518	502	502	504	504	504				
Corn Wpg Delivered	229	194	196							

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## 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