



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
http://hamsmarketing.ca

Wednesday, October 09, 2013

Forward contract prices opened higher this morning. US cash markets continue to trade with no new information on how packers are dealing without reported US prices. In the US, packers have moved to two different methodologies, which could create some discrepancies in the longer term. For this week, Smithfield will be applying the daily changes in futures prices to the price that they paid last week, while Tyson and Cargill have elected to reference an index price for the pork cut-out from a private sector data provider called Urner Barry. Lean Hog futures are starting this morning slightly lower, with the nearby and winter month contracts opening down 10 to 30 points. Futures traders are struggling to make connections with the cash market, after the CME Group have tentatively changed their settlement procedure for the October contract, removing any reference to the cash market. The Canadian Dollar is down close about 50 basis points from yesterday's trade, possibly in response to President Obama's nomination of Janet Yellen to replace Ben Bernanke as the Chairman of the US Federal Reserve.

* n/a as a result of the partial US government shutdown; USDA not reporting.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading lower. Pressure comes from positive forecasts for planting in S. America and better than expected yields reported in many US growing areas. However, support comes on news that China is (or could be) aggressively buying; with the US government shutdown, confirmation is all but impossible as export sales are not being reported.

Canadian delivered corn prices opened even this morning.

US corn futures are trading higher. While pressure comes from the field with yields reported at over 200 bpa in some critical growing areas, there is anecdotal evidence that China has entered the market, adding support. A private firm reports 420,000 tonnes sold to China this week, and there are rumors 1 million tonnes are destined for the country already. There is talk that China is replenishing strategic supplies.

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

US Slaughter	
n/a*	Tuesday
n/a*	Tuesday (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.	\$160.56
B of C Ex. Rate (Noon)	
\$1.0331 CAD/\$0.9679 USD	
Cash Prices Week Ending October 4, 2013	
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)	\$65.00 cwt.

Fixed Forward Range	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		155.04	157.90	157.47	164.63	159.51	161.68	169.81	174.12	169.76
		159.81	160.76	164.16	167.02	162.86	168.38	177.47	180.34	176.91
Maple Leaf Sig. #4		155.31	157.71	158.04	163.78	160.39	160.08	168.80	172.51	171.50
		161.77	161.40	161.19	164.52	163.17	166.39	176.40	177.14	176.11
Soymeal Winnipeg Delivered	514	500	500	501	501	504				
Corn Wpg Delivered	229	194	196							

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.

h@ms 2013 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Swift Current	Oct. 30 @ 12:00PM (Thurs.) - with lunch	Days Inn - 905 North Service Rd. E., Swift Current
Saskatoon	Oct. 30 @ 6:00PM (Thurs.) - with dinner	Sandman Hotel - 310 Circle Dr. W., Saskatoon
Starbuck	Nov. 7 @ 12:00 PM (Thurs.) - with lunch	Starbuck Community Hall - 25 Main Street, Starbuck
Steinbach	Nov. 8 @ 12:00 PM (Fri.) - with lunch	Smitty's - 145 Park Rd. W., Steinbach