



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, October 11, 2013

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

US Slaughter	
n/a*	Thursday
n/a*	Thursday (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.	\$158.35
B of C Ex. Rate (Noon) \$1.0383 CAD/\$0.9631 USD	
Cash Prices Week Ending October 11, 2013	
Signature 3	76.81/169.41
Signature 4	77.19/170.18
h@ms Cash	76.51/168.68
Hylife	n/a
Thunder Creek	76.84/169.40
ISO Weans	\$n/a* US Avg.
Feeder Pigs	\$n/a* US Avg.
#1 Export Sows (+500lbs)	\$65.00 cwt.

Forward contract prices opened higher this morning. US cash markets continue to trade with the majority of hogs being purchased by referencing either the Lean Hog futures or the Uner Barry pork cut-out. There are still a modest number of hogs that are being negotiated between the packers and producers, but the percentage of hogs sold by this method is likely less than 15%. Yesterday, it appeared as though House Republicans were willing to extend the Debt Ceiling by the equivalent of another 6 weeks. However, there is still no end in sight to the government shutdown and President Obama is attempting to address both issues. Lean Hog futures have moved into their settlement procedure for the October contract today, with the temporary procedure of a volume weighted average price for today and Monday's trade being calculated as the settlement price. Most of the 2014 futures continue to trend higher in spite of the cash market uncertainty, with most contracts within \$1.00/cwt. of their contract highs.

* 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 as pressure comes from a leaked EPA document rumored to show a lower ethanol mandate. As well, there is a general increase in harvest activity and some talk of profit taking. Support comes from an export demand estimated to be 40-50 million bu. higher than the last USDA numbers, but expectations of a record Brazil crop could materialize as an offset.

Canadian delivered corn prices opened lower this morning. US corn futures are trading lower. As with soybeans, a lowered EPA mandate is pressuring corn as the revision from 14.4 billion (for 2014) lower to 13.0 billion gallons could mean a drop in demand for some 300 million bu. of corn. However, there is talk that cheaper corn could incentivise ethanol production. S. Korea cancelled 55,000 tonnes overnight citing high prices.

h@ms Marketing Services will be closed Monday, October 14 to observe Thanksgiving but will resume normal business operations on Tuesday, October 15.

Fixed Forward Range	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		152.33	155.20	155.40	162.58	158.66	160.95	169.33	173.65	170.55
		157.11	158.06	162.10	164.97	162.00	167.66	177.00	179.88	177.76
Maple Leaf Sig. #4		152.69	155.09	156.04	161.79	159.56	159.39	168.34	172.05	169.90
		159.16	158.79	159.19	162.53	162.34	165.70	175.95	176.69	176.97
Soymeal Winnipeg Delivered	512	490	490	492	492	492				
Corn Wpg Delivered	189	191	193							

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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