



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, October 31, 2013

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

Forward contract prices opened lower this morning. US lean hog futures are trading lower. There is talk that higher carcass weights are pressuring the trade as daily cash offers across all reporting regions have shown weakness, evidenced by lowered bids of between 50 and 67 cents, in the US base prices over the previous day. Despite this, there is still no concrete evidence of the expected seasonal downtrend in the cash market, and there is still talk that a longer than expected PEDv duration could be coaxing it to some of the highest average levels seen in approximately 10 years. Lean hog futures contracts are being pressured from an overbought technical condition, in part, the result of an earlier 4-session rally that started last Thursday. The turnaround in the futures trade that started yesterday is being described by some as a "sweeping reversal" compared to significant gains seen earlier in the week. Despite the pressure in lean hog contracts this morning, some support comes from timely weakness in the Canadian dollar (for producers north of the border), as the dollar hovers around the 95 cent mark.

US Slaughter	
433,000	Wednesday
430,000	Wednesday (year ago)
W. Corn Belt	\$ 84.33
National Price	\$ 89.55
Daily Sig 3	\$ 161.63
Daily Sig 4	\$ 166.19
Thunder Creek	\$ 161.36
4-Month Fwd.	\$164.48

B of C Ex. Rate (Noon)
 \$1.0456 CAD/\$0.9563 USD

Cash Prices Week Ending October 25, 2013	
Signature 3	75.32/166.04
Signature 4	75.71/166.92
h@ms Cash	75.03/165.42
Hylife	75.30/166.01
Thunder Creek	75.75/167.00

ISO Weans	\$56.00 US Avg.
Feeder Pigs	\$72.54 US Avg.
#1 Export Sows (+500lbs)	\$58.50 cwt.

h@ms 2013 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Starbuck	Nov. 7 @ 2:00 PM (Thurs.) - BBQ to follow	Starbuck Community Hall - 25 Main Street, Starbuck
Steinbach	Nov. 8 @ 12:00 PM (Fri.) - with lunch	Smitty's - 145 Park Rd. W., Steinbach

Canadian delivered soymeal prices opened lower this morning. US harvesting and S. American planting weather continues to influence a bearish tone; US yields are still estimated to be better than expected. Support comes from rumors of additional Chinese sales buoyed by firm interior basis and strong overall demand. h@ms producers are reminded that competition with the fertilizer trade is limiting truck availability and timely delivery.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher in what analysts are calling a short term bounce in part due to technical short covering and a bullish export sales report. There is talk that wet weather could delay the US harvest, adding support. However, traders still view the market as bearish with some analysts estimating a 162 bpa and 2+ billion bu. in carryout.

Fixed Forward Range	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		158.89	161.77 164.64	162.62 167.90	169.82 170.78	167.22 170.58	169.29 175.53	178.66 186.34	182.98 187.79	179.29 186.54
Maple Leaf Sig. #4		157.39	159.80 163.51	161.19 164.17	166.77 167.51	165.84 168.63	165.42 171.74	174.96 182.59	178.68 183.33	175.96 183.07
Soymeal Winnipeg Delivered	511	511	511	512	512	512				
Corn Wpg Delivered		180	180							

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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