



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, November 01, 2013

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

Forward contract prices opened lower this morning. US cash markets came under pressure late this week as the available hog supply was more abundant than expected as well as compared to recent weeks. While there is no way to confirm, the common belief is that hog supplies would be significantly tight in the 4th Quarter of this year due to the impact of the PED virus outbreak that started in the spring. This week's slaughter is expected to be slightly larger than year ago levels, in spite of the average over the last 2 months reflecting at a 3% deficit to year ago levels. Lean Hog futures may see some positive influence from the USDA's Cold Storage report which revealed a 10% decrease in pork inventory when compared to September 2012. However, higher slaughter numbers and carcass weights may supersede the bullish impact of yesterday's report. Producers looking for protection in the winter and spring production periods should consider setting targets \$2-\$4/kg higher than current prices as forward prices are down about 3% from the highs experienced earlier this week.

US Slaughter	
433,000	Thursday
432,000	Thursday (year ago)
W. Corn Belt	\$ 83.02
National Price	\$ 89.01
Daily Sig 3	\$ 158.70
Daily Sig 4	\$ 164.78
Thunder Creek	\$ 158.69
4-Month Fwd.	\$162.65

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
Steinbach	Nov. 8 @ 12:00 PM (Fri.) - with lunch	Smitty's - 145 Park Road West

B of C Ex. Rate (Noon)
\$1.0429 CAD/\$0.9588 USD

Cash Prices Week Ending November 1, 2013	
Signature 3	73.46/161.96
Signature 4	75.77/167.05
h@ms Cash	75.09/165.55
Hylife	n/a
Thunder Creek	74.30/163.80

Canadian delivered soymeal prices opened lower this morning. A technical sell-off and news of large production estimates in S. America is pressuring the trade. Production estimates from the USDA attaché in Argentina were raised to 57.5 MMT from 53.5 MMT (49.3 MMT last year); Brazil is poised for new production records. Support comes from export data showing 4.742 MMT were sold during the shutdown period compared to an estimate between 2.4 and 3 million. Cumulative sales stand at 86.4% compared to the 58.4% 5-year average.

ISO Weans	\$56.00 US Avg.
Feeder Pigs	\$72.54 US Avg.
#1 Export Sows (+500lbs)	\$58.00 cwt.

Canadian delivered corn prices opened higher this morning. Export sales for the 3- week shutdown period were a total of 5.293 MMT with Mexico being the surprise customer at 1.689 million (2013/14) and 437,400 (2014/15) tonnes. Pressure comes from mounting private estimates showing 2+ billion bu. in carryout. The expectation is that even more private estimates ahead of the November 8 WASDE report will suggest a similar number, adding to the overall bearish tone in the US corn trade.

Fixed Forward Range	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3	156.80	159.67 162.55	160.70 165.99	167.91 168.87	165.61 168.97	167.88 174.14	177.51 185.22	181.85 186.66	177.88 185.13
Maple Leaf Sig. #4	155.37	157.78 161.49	159.34 162.32	164.93 165.67	164.28 167.07	164.06 170.40	173.85 181.50	177.59 182.25	174.59 181.71
Soymeal Winnipeg Delivered	504	504	505	505	505				
Corn Wpg Delivered	184	184	189						

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

CALL CRYSTAL FOR MORE INFO 204-235-2225

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