



# Hog Margin Outlook

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Friday, November 29, 2013

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

US Slaughter	
n/a	US Holiday
n/a	US Holiday (year ago)
W. Corn Belt	\$80.03
National Price	\$81.87
Daily Sig 3	\$155.39
Daily Sig 4	\$153.94
Thunder Creek	\$155.10
4-Month Fwd.	\$165.07
<b>B of C Ex. Rate (Noon)</b>	
\$1.0593 CAD/\$0.9440 USD	
<b>Cash Prices Week Ending November 29, 2013</b>	
Signature 3	69.61/153.47
Signature 4	69.59/153.41
h@ms Cash	68.91/151.91
Hylife	68.90/151.90
Thunder Creek	67.95/149.80
ISO Weans	\$75.87 US Avg.
Feeder Pigs	\$80.43 US Avg.
#1 Export Sows (+500lbs)	\$61.50/cwt. tagged

**Forward contract prices opened lower this morning.** The US cash market continues to come under pressure, a function, in part of hog weights that continue to creep upward. The average weight for week ending November 23 was 281.4 lbs., 0.2 lbs. up over the week previous and 7 lbs. higher than the same time last year, a new record. The USDA pork cut-out values were lower Wednesday, falling 70 cents compared to the previous week. There is a general consensus that the effects of some seasonal pressure have taken hold. December lean hog futures are trading at a premium to the CME Lean Hog index leading some to suggest near term selling could be in the works ahead of contract expiry in about two weeks' time. However, the unknown scope and intensity of PEDv remains the wild card and it is generally accepted as reason for the recent support for spring/summer contracts; the June 2014 contract was trading at \$100.17 at Wednesday's close. Demand for weanlings is currently very strong with the composite expected to approach, if not surpass, \$80 next week. **Today marks a return to trading following yesterday's day off, but markets will be closed one hour early as is customary following the US Thanksgiving day holiday.**

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading higher. Profit taking on Wednesday turned the market briefly lower ahead of the holiday amid decent S. American weather and rumors of expected Chinese cancellations. However, many commercial mills are running at or near capacity in the US Midwest amid strong demand for meal, propping feed prices in the short term.

**Canadian delivered corn prices opened even this morning.** US corn prices are trading lower, shunning a recent report released by major EU investment bank calling for higher corn prices as a result of increases in demand. Lower corn prices currently, could spur demand from ethanol plants, feed users and export interests. The bank notes that exports are already outpacing USDA estimates and concludes the demand side should be watched carefully despite supply estimates.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		157.75	166.98	167.76	170.01	181.21	185.59	182.84	169.52	153.41
		165.04	167.95	171.16	176.34	189.00	190.46	190.17	180.79	161.71
Maple Leaf Sig. #4		157.28	164.24	166.03	165.76	176.98	180.85	178.95	171.44	155.36
		161.60	164.99	168.85	172.17	184.71	185.85	186.14	177.62	166.52
Soymeal Winnipeg Delivered	575	576	576	576						
Corn Wpg Delivered	185	200	200							

This information is intended to aid producers in making pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution (including email forwarding) of the HMO is strictly prohibited.

## Special Note Today:

Forward contracting will cease at 11:30 AM Central today (one hour early) as a result of an early close at the exchange.