

Thursday, December 05, 2013

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

US Slaughter	
438,000	Wednesday
432,000	Wednesday (year ago)
W. Corn Belt	\$78.68
National Price	\$83.44
Daily Sig 3	\$154.26
Daily Sig 4	\$158.42
Thunder Creek	\$153.58
4-Month Fwd.	\$163.75
<b>B of C Ex. Rate (Noon)</b> \$1.0696 CAD/\$0.9349 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	\$77.43 US Avg.
Feeder Pigs	\$81.44 US Avg.
#1 Export Sows (+500lbs)	\$59.00/cwt. tagged

**Forward contract prices opened lower this morning.** US cash markets are finishing this week trending lower, with packers having their needs met earlier than normal, due in part to some of last week's deliveries being displaced into this week. Hog weights continue to make up the deficit in hog numbers, which is favourable to packers as it lowers their cost without significantly impacting their production. Average live hog weights are approaching 285lbs. in some regions, a new record, and averaging close to 10lbs or 3.5% heavier than year ago levels. Lean Hog futures stabilized from losses experienced earlier in the week, with the February contract maintaining close to a \$6.00/cwt. premium over the cash index price, a comparable premium to recent years at this time. Technical indicators suggest that the market is finding a 'bottom' in recent trading days, coinciding with when hog numbers will begin to taper off. The Canadian Dollar traded at its lowest level since early 2010, providing a positive influence on both cash and forward contract prices.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading lower following a round of technical buying yesterday, led by the hedge funds, which supported the market. China's demand uncertainty has influenced market direction(s); rising on rumors of eminent buying, falling on rumors of waning interest and generally blamed for the recent chopiness. Nonetheless, demand is expected to be offset by good supply in the longer term; Argentine production estimates have reached 59.5 MMT and Brazil is projected to produce 88 MMT.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. However there is talk of nearby support amid indications of strong export demand, and usage in the ethanol industry currently surpassing USDA estimates. Two important reports will be released on Tuesday December 12 (Crop Production and WASDE) and will provide the market with some much-needed data updates. There is pre-report chatter suggesting tighter carryout due to increased demand, adding a supportive element to the trade.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		155.92 163.28	165.24 166.22	166.81 170.24	168.81 175.19	181.82 189.67	186.23 191.14	183.86 191.24	170.73 182.58	154.50 162.86
Maple Leaf Sig. #4		155.55 159.92	162.58 163.34	165.14 167.99	164.61 171.07	177.59 185.38	181.48 186.52	179.95 187.19	172.67 179.38	156.47 167.72
Soymeal Winnipeg Delivered	556	557	557	557						
Corn Wpg Delivered	184	198	198							

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.

**"THE show for Hog Producers looking for information on producing and maintaining a high quality product essential in today's marketplace."**



**ONE DAY ONLY!**  
**December 12, 2013**  
**Keystone Centre**  
**1175 18th Street Brandon, MB**  
**10:00 AM to 4:30 PM**