



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, December 06, 2013

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

US Slaughter	
438,000	Thursday
430,000	Thursday (year ago)
W. Corn Belt	\$77.67
National Price	\$83.25
Daily Sig 3	\$151.45
Daily Sig 4	\$157.21
Thunder Creek	\$151.17
4-Month Fwd.	\$162.30
B of C Ex. Rate (Noon)	
\$1.0638 CAD/\$0.9400 USD	
Cash Prices Week Ending December 06, 2013	
Signature 3	70.77/156.02
Signature 4	71.17/156.91
h@ms Cash	70.49/155.41
Hylife	n/a
Thunder Creek	70.49/155.40
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. The US cash market is called steady to close out the week on good packer demand. Thursday's slaughter came in almost 2% higher than last year at 430,000 head, following the recent trend. However, Thursday saw prices in the WCB and ISM reporting regions fall by an average of \$.91/cwt. The National price fared slightly better falling only \$.19/cwt. compared to the previous day. Interestingly, the pork cut-out turned around after feeling some pressure and was up \$.16/cwt. with hams and bellies showing modest gains. Packers see this as a sign that retailers (and restaurateurs) have not yet finished seasonal bookings, a sentiment further propped by the recent Restaurant Performance Index indicating mild expansion and hinting at potential demand. Almost all lean hog futures contracts have been under some pressure during the latter half of the week but the downside has been limited by PEDv uncertainty; some analysts are now claiming that we 'should' start to see some of these effects in slaughter numbers as early as December/January. The Canadian dollar has only mildly recovered from the recent drop, trading at \$.94 USD at noon yesterday.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower despite reports of new sales to China for the 2014/15 marketing year. Pressure is seen across all contracts at opening, in part a function of a technical oversold position ahead of news that good US yields and optimistic S. American production (estimated at 11 MMT over last year) will pad the supply side.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. Increased talk of farmer selling has added some pressure but recent rumors that the Chinese are evaluating an 'unapproved' GM variety of corn (which has been refused at port) has the market gaining some support. Two important reports, Crop Production and WASDE will both be released Tuesday, December 12.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		154.60	163.88	165.49	167.89	180.88	185.29	182.68	170.50	154.74
		161.93	164.86	168.91	174.26	188.72	190.19	190.05	181.50	162.63
Maple Leaf Sig. #4		154.25	161.25	163.85	163.72	176.68	180.57	178.81	172.43	156.25
		158.60	162.01	166.69	170.17	184.46	185.60	186.06	178.33	167.48
Soymeal Winnipeg Delivered	553	554	554	554						
Corn Wpg Delivered	184	198	198							

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"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