



# Hog Margin Outlook

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Monday, December 09, 2013

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

US Slaughter	
2.325 mil.	Last Week
2.363 mil.	Last Week (year ago)
W. Corn Belt	\$78.02
National Price	\$82.44
Daily Sig 3	\$152.49
Daily Sig 4	\$156.04
Thunder Creek	\$152.68
4-Month Fwd.	\$165.87
<b>B of C Ex. Rate (Noon)</b>	
\$1.0663 CAD/\$0.9378 USD	
<b>Cash Prices Week Ending December 06, 2013</b>	
Signature 3	70.77/156.02
Signature 4	71.17/156.91
h@ms Cash	70.49/155.41
Hylife	70.47/155.36
Thunder Creek	70.49/155.40
ISO Weans	\$79.56 US Avg.
Feeder Pigs	\$82.25 US Avg.
#1 Export Sows (+500lbs)	\$59.00/cwt. tagged

**Forward contract prices opened higher this morning.** US cash markets are trading steady to higher as packers seem to have found an equilibrium with all of the factors impacting their profitability. The pork cut-out is experiencing a sustained period of values near \$90/cwt., with a tight hog slaughter (likely caused by losses due to PED virus) being offset by carcass weights that are close to 3% heavier than year ago figures. The most recent data (for the week ending Nov 24/13) on the outbreak of PED showed a slight reduction in the number of new cases being reported, while the overall trend continues to show infection rates increasing in almost all areas of the US. Summer month futures are not trading at a significant premium to historical levels, with traders willing to take a 'wait and see' approach to supply factors, due in part to the significant increase in carcass weights seen over the last several months. The Canadian Dollar is trading near the lows put in last week, with seemingly little reaction to Friday's news of good job growth in the US, as it is expected that this may lead to a tapering of financial stimulus package offered by the US Federal Reserve.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher ahead of the Crop Production and WASDE reports that are scheduled to be released tomorrow (Tuesday). Private estimates for carryout, an important benchmark for determining probable price influence, range between 130 and 170 million bu. Both numbers are historically low with support across the complex likely until S. American production becomes available.

**Canadian delivered corn prices opened higher this morning.** US corn futures are trading higher. Unlike soybeans, carryout estimates for corn is much healthier; at carryout estimates between 1.737 and 2.013 billion bu., the trade is calling for a bearish market in the longer term. The general consensus is that corn will not be subjected to supply issues this year and that price pressure for the market is all but certain when traded on the fundamentals.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		160.19	166.56	167.18	170.45	182.52	186.94	184.02	172.17	155.92
		164.60	167.54	170.16	175.85	190.38	191.85	191.40	182.80	164.29
Maple Leaf Sig. #4		157.21	163.85	165.50	165.25	178.27	182.17	180.10	174.06	157.86
		161.19	164.61	168.35	171.71	186.07	187.21	187.35	179.59	169.10
Soymeal Winnipeg Delivered	569	570	570	570						
Corn Wpg Delivered	189	191	193							

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