

Wednesday, December 11, 2013

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

US Slaughter	
436,000	Tuesday
430,000	Tuesday (year ago)
W. Corn Belt	\$77.46
National Price	\$81.98
Daily Sig 3	\$150.83
Daily Sig 4	\$154.57
Thunder Creek	\$150.69
4-Month Fwd.	\$163.33
B of C Ex. Rate (Noon)	
\$1.0623 CAD/\$0.9413 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	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)	\$64.50/cwt. tagged

Forward contract prices opened lower this morning. US cash markets came under significant pressure yesterday, with packers feeling comfortable with their booked hog supplies relative to their demand. Pork production is up from year ago levels, as the gains in carcass weights have more than offset the loss from reduced hog numbers. This serves to further improve packer profitability as it is more efficient to process fewer hogs at heavier weights than more hogs at lighter weights, as was seen last year. As a result, packer profitability is estimated at better than \$30/hog, the best margins experienced in months. This has served to support nearby Lean Hog futures recently, as packers are incited to maximize production schedules, but constrained by the number of pigs available due to the losses and delays from PED virus over the last 6 months. The Canadian dollar has found support in recent days as world markets reflect greater optimism in economic growth, which could spur demand for Canadian resources.

Canadian delivered soymeal prices opened lower this morning. Soybean futures remain firm amid continued strong export demand, resulting in nearby contracts trading near 3 month highs. However, the focus of the trade is shifting to the South American crop which many believe has been underestimated by USDA analysts. Relief from the high soybean meal prices may not come until mid-January when the USDA reflects the good South American crop in their WASDE report and traders become more certain about global supply.

Canadian delivered corn prices opened even this morning. Corn futures have found support in recent days, but the long term trend remains steady to lower. The USDA made significant adjustments to their estimates of corn demand in yesterday's WASDE report, bumping up usage by close to 100 million bushels. However, private sector analysts continue to suggest that their production estimates for this year's crop are still on the low side and could be adjusted higher by close to 300 million bushels on the January report.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		156.95	163.29	165.05	167.14	180.97	185.36	182.55	171.52	155.37
		161.34	164.27	168.46	173.49	188.78	190.24	189.89	181.61	163.69
Maple Leaf Sig. #4		154.07	160.68	163.42	162.99	176.75	180.63	178.67	173.40	157.28
		158.03	161.43	166.25	169.42	184.51	185.64	185.87	178.42	168.47
Soymeal Winnipeg Delivered	565	565	565	565						
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