



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
<http://hamsmarketing.ca>

Thursday, December 12, 2013

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

US Slaughter	
435,000	Wednesday
427,000	Wednesday (year ago)
W. Corn Belt	\$78.20
National Price	\$81.85
Daily Sig 3	\$152.04
Daily Sig 4	\$154.10
Thunder Creek	\$152.54
4-Month Fwd.	\$164.14
B of C Ex. Rate (Noon) \$1.0607 CAD/\$0.9427 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 higher this morning. US cash markets strengthened yesterday, with packers trying to increase their production schedules in an effort to build inventories at a lower cost base. However, wholesale pork prices moved lower with all primal cuts contributing to the \$1.00/cwt decline. Primal hams lost nearly \$5.00/cwt in trade yesterday, starting their seasonal trend lower due to the time requirements for the curing process and how this impacts meeting peak Holiday demand. In fact, there has not been a year in the last 6, where ham values have not lost at least \$10/cwt in the month of December. Lean Hog futures consider these seasonal factors on daily basis, but traders continue to add significant value to the February and April contracts relative to historical spreads. These contracts are currently holding a premium to the cash market of close to double the levels seen in 2011 and 2012, probably reflecting supply concerns relating to PED virus. While the Canadian Dollar has gained close to half a cent against the US Dollar in the last week, the Loonie remains at the low end of its 3 month trading range.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. There is talk that Chinese demand for US soybeans could exceed the 69 MMT that was previously thought too high (compared to 59.8 MMT last year), adding support. Pressure comes from expectations of revisions higher to S. American production and rumors of an adjustment higher to the domestic yield which could add another 151 million bu. to supply.

Canadian delivered corn prices opened lower this morning. US corn futures are trading lower. Another shipment containing an unapproved GM variety was rejected by Chinese authorities and with approximately 2 MMT of corn en route to China, there are expectations of more rejections ahead. Support comes from demand from the ethanol industry amid corn prices hovering near three year lows.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		157.57	163.92	166.21	168.62	179.60	186.96	183.88	173.00	156.84
		161.97	164.90	169.64	174.99	190.39	191.86	191.23	183.23	165.17
Maple Leaf Sig. #4		154.67	161.30	164.18	164.42	175.54	181.99	179.48	174.08	159.09
		158.64	162.05	167.40	170.88	185.41	186.93	186.50	179.43	169.14
Soymeal Winnipeg Delivered	566	566	566	566	568	569				
Corn Wpg Delivered	184	188	190							

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