



Hog Margin Outlook

Meeting Your Marketing Needs

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<http://hamsmarketing.ca>

Friday, December 13, 2013

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

US Slaughter	
436,000	Thursday
430,000	Thursday (year ago)
W. Corn Belt	\$78.56
National Price	\$81.65
Daily Sig 3	\$153.23
Daily Sig 4	\$154.22
Thunder Creek	\$153.20
4-Month Fwd.	\$162.66
B of C Ex. Rate (Noon)	
\$1.0641 CAD/\$0.9397 USD	
Cash Prices Week Ending December 13, 2013	
Signature 3	68.83/151.75
Signature 4	70.22/154.80
h@ms Cash	69.54/153.30
Hylife	n/a
Thunder Creek	70.13/154.60
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 are continue to move higher amid tight live hog supplies, even as wholesale pork prices plummet. The pork carcass cut-out came under significant pressure this week, dropping more than \$3.50/cwt., with all of the primal cuts losing value. Typical to this time of year, the primal cuts that are destined to be smoked and cured lose significant value as this process requires more lead time to meet holiday demand. Another factor pressuring prices is the increase in pork production that has occurred in the last two months, resulting from record large carcass weights. Lean Hog futures appear to be finishing the week on a lower note with summer month contracts are still trading within \$2.00/cwt. of contract highs. Nearby contracts have been influenced from the recent weakness in the cash market, but traders have been willing to maintain the larger than average premium that these contracts hold over the cash market due to the supply uncertainty surrounding the PED virus.

Canadian delivered soymeal prices opened lower this morning. Support comes from export and crush demand but there are increasing private estimates showing that S. American production will be higher than current USDA estimates. As well, there is an expectation that Argentine farmers will start to sell en masse when the peso 'bottoms out'. These two events have traders anticipating a flood of beans, adding pressure, especially if they both materialize in the same timeframe.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. But, although Chinese numbers are usually suspect, there is talk that the markets are reacting to a report from China suggesting Chinese production (217.7 MMT estimated) will outpace consumption (197 MMT estimated) for 2013/14, hinting at lower US demand. As well, rumors of heightened inspections and anticipated cancellations along with some technical profit taking are adding pressure.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		156.05 160.44	162.39 163.36	164.73 168.14	167.10 173.46	178.11 188.86	185.44 190.33	183.96 191.33	172.22 183.07	156.00 164.36
Maple Leaf Sig. #4		153.19 157.15	159.80 160.55	162.72 165.94	162.95 169.39	174.08 183.93	180.52 185.44	179.57 186.61	173.34 179.28	158.30 168.39
Soymeal Winnipeg Delivered	556	556	556	556	558	560				
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.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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