



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, December 17, 2013

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

US Slaughter	
438,000	Monday
433,000	Monday (year ago)
W. Corn Belt	\$75.44
National Price	\$81.49
Daily Sig 3	\$146.26
Daily Sig 4	\$152.99
Thunder Creek	\$146.05
4-Month Fwd.	\$166.61
B of C Ex. Rate (Noon) \$1.0577 CAD/\$0.9454 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	69.50/153.21
Thunder Creek	70.13/154.60
ISO Weans	\$80.22 US Avg.
Feeder Pigs	\$86.98 US Avg.
#1 Export Sows (+500lbs)	\$59.00/cwt. tagged

Forward contract prices opened higher this morning. US cash markets are called steady following a drop in prices yesterday. ISM and WCB regions saw between \$0.75 and \$0.82 losses per cwt. while the National reporting region fared slightly better, losing only \$0.19/cwt. over the previous day. Thoughts are that higher delivered hog weights (along with a 0.6% increase in weekly slaughter numbers) are factors; following a reaction to summer PEDv losses as producers and packers attempt to make up for loss of supply. The Mandatory Price Report has shown average carcass weights at 212 lbs and there is talk that this number will be revised higher when the lagged data is compiled; packer owned carcass weights came in at 218.3 lbs.(!) or 3.7% higher than year-ago. Adding pressure to the cash market is the seasonal downturn factor typical at this time of year as well as shorter killing weeks coming soon. Lean hog futures fared a similar fate yesterday; prices fell at opening, in some cases by as much as one percentage point especially in the nearby contracts where thoughts of cooler weather ahead will influence higher weights moving forward. Deferred contracts fared slightly better but losses were seen across the board; some traders are looking for a 'bounce' today. As always, PEDv remains a wild card for those periods 3-5 months out. Incidentally, composite ISO weans and 40lb. feeders are both trading above \$80 suggesting producers are looking to fill some holes.

Canadian delivered soymeal prices opened higher this morning. Uncertainty is a prominent feature of the soybean trade lately; the bulls point to current demand strength as supportive; the bears look ahead to massive S. American harvests and increases in US planted acres. On the face of it there is a contradiction. However, the general consensus is for nearby support and deferred pressure. Meal demand is currently driven by good crush margins and demand from China.

Canadian delivered corn prices opened lower this morning. US corn futures are trading mixed. With fundamentals looking consistently bearish, there is talk that only technical rebalancing will be supportive as funds adjust their positions. The Chinese rationale for the rejections of the unapproved variety is suspect as other countries allow the variant. Some analysts suggest it is an ongoing China-US trade dispute. All traders want this uncertainty to be removed/resolved as quickly as possible.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #3			160.61 161.59	164.22 167.63	166.60 172.95	178.52 189.27	185.85 190.74	183.29 190.63	171.65 182.41	156.61 163.83	153.67 158.57
Maple Leaf Sig. #4			158.08 158.84	162.24 165.45	162.46 168.90	174.48 184.33	180.92 185.84	178.91 185.92	172.76 178.63	154.69 167.83	155.07 156.77
Soymeal Winnipeg Delivered	569	569	569	569	571	573					
Corn Wpg Delivered	178	182	182								

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.

Main Office	h@ms Holiday Schedule	Winnipeg Livestock (WLS)
8:00AM – 3:00 PM	Dec. 24 (Tues.)	8:30AM – 12 noon
Closed	Dec. 25 & 26 (Wed. & Thurs.)	Closed
8:00AM – 3:00 PM	Dec. 31 (Tues.)	8:30AM – 12 noon
Closed	Jan. 1 (Wed.)	Closed