



Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, December 30, 2013

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

US Slaughter	
1.843 mil.	Last Week
1.764 mil.	Last Week (year ago)
W. Corn Belt	\$76.15
National Price	\$79.98
Daily Sig 3	\$149.31
Daily Sig 4	\$151.85
Thunder Creek	\$149.23
4-Month Fwd.	\$167.88
B of C Ex. Rate (Noon)	
\$1.0697 CAD/\$0.9348 USD	
Cash Prices Week Ending December 27, 2013	
Signature 3	66.77 / 147.21
Signature 4	68.74 / 151.54
h@ms Cash	68.06 / 150.04
Hylife	68.09 / 150.11
Thunder Creek	67.40 / 148.60
ISO Weans	\$82.54 US Avg.
Feeder Pigs	\$92.32 US Avg.
#1 Export Sows (+500lbs)	\$51.50/cwt. tagged

Forward contract prices opened higher this morning. US cash markets have rebounded somewhat since last Friday but are still experiencing seasonal pressure on thoughts that packers have secured supplies amid the two reduced slaughter weeks in a row. Additionally, with the holiday season quickly coming to an end, demand for pork is experiencing its seasonal wane; cut-out values are down \$3.11 from the week previous with hams down \$9.66 over the same timeframe. Lean hog futures markets are up across the board this morning following Friday's 'bullish' Quarterly Hogs and Pigs report from the USDA. Following past reports, there were some talk of expectations for larger pig supplies ahead of the report, and further talk surfacing that a 1% increase was possible in the Kept for Breeding number. However, inventory in Kept for Breeding showed a 1.1% decrease, surprising many in the trade given the favourable prospects for profit in the coming year. Compared to last year, All Hogs and Pigs are at 99.3%, Kept for Breeding at 98.9% and, Kept for Market at 99.4% as a percentage of last year. The Canadian dollar continues to support forward contract values, hovering around \$0.93 USD.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading lower following news that up to 2 inches of rain fell on 75% to 80% of the combined crop in Brazil and Argentina, improving conditions. Support comes from sustained demand for US beans; cumulative sales are at 99.1% for the current marketing year compared to the 72% 5- year average.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower. As with soybeans, rain in S. America is pressuring the trade as confidence in yield expectations and production return following two weeks of hot and dry weather. As is stands, the USDA has estimated a world corn production of 964.3 MMT. Corn prices are 39% lower than last year at this time.

Fixed Forward Range	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #3			160.20 161.18	165.26 168.69	167.86 174.26	181.83 192.66	189.21 194.13	186.79 194.20	175.33 185.90	159.97 167.43	157.00 161.94
Maple Leaf Sig. #4			157.69 156.45	163.25 166.48	163.70 170.17	177.70 187.61	184.18 189.14	182.31 189.39	176.38 182.03	157.97 171.41	158.35 160.07
Soymeal Winnipeg Delivered	580	580	580	580	583	584					
Corn Wpg Delivered	180	182	184								

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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