



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, January 22, 2014

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

US Slaughter	
430,000	Tuesday
425,000	Tuesday (year ago)
W. Corn Belt	\$78.78
National Price	\$80.63
Daily Sig 3	\$158.44
Daily Sig 4	\$157.02
Thunder Creek	\$158.35
4-Month Fwd.	\$179.28
B of C Ex. Rate (Noon)	
\$1.0972 CAD/\$0.9114 USD	
Cash Prices Week Ending January 17, 2014	
Signature 3	70.67/155.79
Signature 4	71.13/156.81
h@ms Cash	70.45/155.31
Hylife	70.38/155.15
Thunder Creek	69.85/154.00
ISO Weans	\$86.33 US Avg.
Feeder Pigs	\$95.35 US Avg.
#1 Export Sows (+500lbs)	n/a

**Forward contract prices opened higher this morning.** US cash markets are called steady amid talk that the seasonal bottom has been or will be eminently reached. Marketings could also once again become limited across the US Midwest as another cold snap moves across the region; there is talk of the weather potentially limiting movements and adding support to packer bids. Reported prices across the WCB and ISM reporting regions are up over \$0.50US and the National region is reporting prices up just over \$0.10US. Lean hog futures traded steady to lower yesterday and there is talk that while the February contract is currently trading at a premium that is larger than typical this time of year, if a PEDv hole materializes in the near term, the February contract's current premium addresses the issue; there is still a lot of uncertainty regarding the effects of the virus on current US hog supplies. In the meantime, heavier carcass weights are apparently being used as a strategy to offset holes in supply. Canadian forward contract premiums are largely a function of the recent weakness in the dollar, now trading slightly below \$0.90 USD in the deferred contracts.

**Canadian delivered soymeal prices opened even this morning.** US soybean futures are trading lower following a drop in prices across all contracts yesterday and spurred on by positive weather news of rain for Argentina and Brazil. There is talk that today's support is a function of a market correction and of strong export inspections at 56.6 million bu. compared to the 13.9 million bu. average needed to reach USDA projections for the entire season.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. Like soybeans, the market is correction due to the drop in contract values as a result of positive S. American weather forecasts. However, there is talk that the damage is already done on early planted Argentine corn, suggesting current estimates could be overstated, adding support.

Fixed Forward Range	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #3		166.45	172.23 175.78	174.59 181.20	189.33 200.51	196.95 202.03	193.59 201.21	180.34 191.83	163.58 172.22	160.59 167.22
Maple Leaf Sig. #4		164.23	169.73 173.07	169.86 176.55	184.22 192.25	191.70 196.82	188.94 196.23	180.64 187.04	162.33 175.52	161.54 164.50
Soymeal Winnipeg Delivered	567	567	567	569	569					
Corn Wpg Delivered	184	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.

Location	h@ms District Meeting Schedule	Time
Days Inn, Swift Current, SK	Wednesday, March 5, 2014	10:00AM with lunch to follow
Sandman Hotel, Saskatoon, SK	Wednesday, March 5, 2014	4:00PM with dinner to follow
Headingley Community Hall, Hdly, MB	Wednesday, March 12, 2014	2:00PM with dinner to follow
Smitty's, Steinbach, MB	Friday, March 14, 2014	12:00PM with lunch served
Starbuck Community Hall, Stbck, MB	Thursday March 20, 2014	2:00PM with dinner to follow