



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, February 13, 2014

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

US Slaughter	
384,000	Wednesday
422,000	Wednesday (year ago)
W. Corn Belt	\$83.47
National Price	\$85.39
Daily Sig 3	\$168.19
Daily Sig 4	\$166.62
Thunder Creek	\$168.16
4-Month Fwd.	\$192.08
B of C Ex. Rate (Noon)	
\$1.0993 CAD/\$0.9096 USD	
Cash Prices Week Ending February 7, 2014	
Signature 3	75.72/166.93
Signature 4	74.23/163.65
h@ms Cash	73.55/162.15
Hylife	73.96/163.05
Thunder Creek	74.48/164.20
ISO Weans	\$84.73 US Avg.
Feeder Pigs	\$103.07 US Avg.
#1 Export Sows (+500lbs)	\$56.00

Forward contract prices opened higher this morning.

US cash markets are trading near steady this morning and at their highest level in close to 3 months. Good packer operating margins are supporting cash bids as packers have strong incentive to maintain current production levels, but are dealing with a shrinking hog supply. Lean Hog futures have slowed their advance this week as funds are already holding a large net 'long' position. The nearby contracts are seeing some resistance to moving higher as the premium that these contracts hold over the cash market remains far greater than normal levels. Traders continue to factor in a deficit in hog supplies over the next 6 months reflecting the perceived impact of PED virus on the North American herd. However hog weights are also running more than 2% higher than year ago levels offsetting some of the PED effect. The Canadian Dollar is trading at the higher end of its 1 month trading range, but still within 2 cents of the lowest level in nearly 5 years.

Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher. Support is viewed, in part, as a function of poor equity performance resulting in the funds moving from equity markets 'back to' commodities. More talk that as the Brazilian harvest becomes available (currently at 13%), Chinese cancellations for US beans becomes more likely. Brazil could ship 3MMT to China in February alone (2.3MMT last year). There are rumors that another 400,000MT will be cancelled on top of the 272,000MT cancellation from China yesterday.

Canadian delivered corn prices opened lower this morning.

US corn futures are trading mixed. Export demand continues to provide support aided by ethanol production that was up 0.8% for the week and 14.3% over last year; corn used in ethanol was estimated at 400,000 bu. more than the weekly average. Some pressure comes from Chinese cancellations/rejections that are still believed to be a part of a larger trade dispute. There is already talk surfacing suggesting US plantings could be in the 93-94 million acre range this year.

Fixed Forward Range	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Maple Leaf Sig. #3		177.06 179.58	179.47 186.04	192.75 206.90	203.36 208.41	202.33 209.93	190.18 201.08	173.46 182.07	169.11 176.72	151.63 159.74
Maple Leaf Sig. #4		174.58 177.71	174.58 181.23	187.53 201.43	197.91 202.99	197.31 206.44	190.15 195.99	170.92 184.85	169.56 173.29	155.96 163.04
Soymeal Winnipeg Delivered	593	593	588	588	582	584				
Corn Wpg Delivered	182	184								

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 - lunch to follow
Sandman Hotel, Saskatoon, SK	Wednesday, March 5, 2014	4:00PM - dinner to follow
Headingley Community Hall, Hdly, MB	Wednesday, March 12, 2014	2:00PM - dinner to follow
Smitty's, Steinbach, MB	Friday, March 14, 2014	12:00PM - lunch served
Starbuck Community Hall, Stbck, MB	Thursday March 20, 2014	2:00PM - dinner to follow