



# Hog Margin Outlook

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Tuesday, March 11, 2014

Hog Prices: ↑ Soymeal: ↓

Corn: ↔ CDN Dollar: ↓

US Slaughter	
413,000	Monday
409,000	Monday (year ago)
W. Corn Belt	\$108.03
National Price	\$103.75
Daily Sig 3	\$219.90
Daily Sig 4	\$204.51
Thunder Creek	\$220.24
4-Month Fwd.	\$ 229.19
<b>B of C Ex. Rate (Noon)</b>	
\$1.1105 CAD/ \$0.9004 USD	
<b>Cash Prices Week Ending March 7, 2014</b>	
Signature 3	94.46/208.25
Signature 4	87.76/193.47
h@ms Cash	87.08/191.97
Hylife	88.29/194.65
Thunder Creek	89.49/197.30
ISO Weans	\$88.87 US Avg.
Feeder Pigs	\$114.03 US Avg.
#1 Export Sows (+500lbs)	\$71.50

**Forward contract prices opened higher this morning.** US cash markets continue to display sustained strength on thoughts that PEDv related supply losses are now having a tangible impact on supply and demand fundamentals. ISM, National and WCB reporting regions saw base price increases ranging from \$0.91 - \$1.67/cwt. Despite this trajectory, packers are still motivated to bid higher noting gains in the cut-out, up \$2.42 at yesterday's close, posted record highs for the second consecutive day. As well, lean hog futures continue to climb higher; April and June contracts reached limit up yesterday and are continuing to show strength this morning. All offered contracts to the end of the year are supported, largely, on PEDv related supply issues. While confirmed PEDv cases in the US dropped in the last reported week (w/e March 1, most recent data available), there were still 252 new cases. The Canadian dollar continues to hover around the \$0.90 USD mark, therefore attributing much of the recent rise in value of the forward contracts to lean hog futures.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading higher, bucking a lowering move that followed the turnaround yesterday. While the WASDE report increased exports by 20 million bu., they also estimated increased imports and cut the crush forecast by a combined 15 million bu. The result was an ending stocks number only 5 million bu. below the 150 million benchmark; the average expectation was for 9 million bu. lower to be reported.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. Events in the Ukraine are having minimal impact on the corn market today as tensions subside for the time being and on news that shipments are making their way out of the country in any event. WASDE report numbers showed an increase in exports by 25 million bu., dropping ending stocks to 1.456 billion bu., which is still not enough of a drop to rally support for the trade.

Fixed Forward Range	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		224.81 225.83	232.74 243.91	242.39 248.49	236.61 244.25	211.26 234.88	195.47 203.11	191.29 197.93	165.74 173.90	171.35 173.90
Maple Leaf Sig. #4		215.14 216.32	223.90 236.49	232.56 238.66	227.65 235.34	209.21 227.16	189.48 203.88	188.90 192.06	164.94 175.61	172.25 173.93
Soymeal Winnipeg Delivered	582	592	592	592	593	593	593			
Corn Winnipeg Delivered	192	195								

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## h@ms District Meeting Schedule

Location	Date	Time
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