



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, March 25, 2014

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

US Slaughter	
2.042 mil.	Last Week
2.179 mil.	Last Week (year ago)
W. Corn Belt	\$127.74
National Price	\$120.93
Daily Sig 3	\$262.64
Daily Sig 4	\$240.77
Thunder Creek	\$262.34
4-Month Fwd.	\$238.06
B of C Ex. Rate (Noon)	
\$1.1217 CAD/ \$0.8915 USD	
Cash Prices Week Ending March 21, 2014	
Signature 3	111.96/246.82
Signature 4	101.88/224.60
h@ms Cash	101.20/223.10
Hylife	102.64/226.28
Thunder Creek	103.47/228.10
ISO Weans	\$91.50 US Avg.
Feeder Pigs	\$118.10 US Avg.
#1 Export Sows (+500lbs)	\$81.50

Forward contract prices opened mixed this morning. US cash markets started the week slightly lower, with packers having an easier time sourcing hogs to fully meet their slaughter schedules. Packer operating margins are still very good after last week's run-up, but not exceptional with the pork cut-out trading only marginally higher than bids for live hogs. Lean Hog futures traded sharply lower in the overnight trade, with the market experiencing increased volatility ahead of Friday's Hogs and Pigs report. By any technical analysis tool, the market is deep into overbought territory, with the Commitment of Traders report confirming one of the largest net long positions held by 'Large Speculators'. The market could be exposed to a significant pull-back in the short term, but long term market fundamentals remain bullish. Summer month Lean Hog futures are trading at par value with the current Lean Hog Index price, whereas they typically trade at close to a US\$15/cwt premium at this time of year.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. Support comes from sustained demand amid strong export numbers, talk of lineups growing at Brazilian ports, and reports that some ships are 'stuck' in Argentine ports, exacerbating the situation amid slow farmer-selling. The US's cumulative export inspections have reached 95.2% of the USDA forecast (79.7% 5-yr average), adding support. Traders are positioning themselves ahead of the Planting and Grain Stocks reports scheduled for release March 31.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. There is much uncertainty regarding the situation in the Ukraine: farmers sitting on stocks as a currency hedge, unclear planting intentions amid potentially high fuel and input costs, and now talk that escalating political tensions could result in Russia blockading Ukraine ports. However, there are reports that US field work is starting in the south as far north as Missouri and expectations of up to 93 million acres planted in the next report adding pressure.

Fixed Forward Range	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3			238.39 250.28	248.74 254.90	242.99 250.71	223.09 244.91	206.11 214.86	203.08 209.79	170.06 178.32	175.74 178.32
Maple Leaf Sig. #4			229.93 242.66	238.68 244.85	233.81 241.59	220.72 236.86	200.79 215.34	200.36 203.55	169.18 179.97	173.97 178.27
Soymeal Winnipeg Delivered	613	620	620	620	622	622	622			
Corn Winnipeg Delivered	190	192								

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.

REACH CRITICAL PRODUCERS AND INDUSTRY PARTNERS

Quarterly or Monthly Rates * 2 Featured Exposure Levels

* Customizable Ad Space *

* Extended Exposure via the HMO Online Archive *

Advertise
with
h@msl

Starting @ \$220/mo.

Contact Paul for more information 204-235-2237