



Hog Margin Outlook

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Monday, April 14, 2014

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

US Slaughter	
2.020 mil.	Last Week
2.078 mil.	Last Week (year ago)
W. Corn Belt	\$118.34
National Price	\$124.23
Daily Sig 3	\$237.74
Daily Sig 4	\$241.67
Thunder Creek	\$237.27
4-Month Fwd.	\$227.06
B of C Ex. Rate (Noon)	
\$1.0960 CAD/ \$0.9121 USD	
Cash Prices Week Ending April 11, 2014	
Signature 3	112.02/246.95
Signature 4	111.43/245.65
h@ms Cash	110.75/244.15
Hylife	109.90/242.28
Thunder Creek	116.85/257.60
ISO Weans	\$86.34 US Avg.
Feeder Pigs	\$135.40 US Avg.
#1 Export Sows (+500lbs)	\$91.50 cwt.

Forward contract prices opened higher this morning. US cash markets are expected to trade steady to firm, as packers still have positive cash operating margins and will look to fill out this week's slaughter schedule. Last week's slaughter was reported to be down about 3% from year ago levels, but last year's slaughter was impacted by a reduced schedule, due to Easter. Wholesale pork values appeared to have stabilized at the end of last week, with the pork cut-out value trading up slightly and just shy of \$125/cwt. Lean Hog futures continue to experience volatile trade, but the discount that the summer months are trading to the cash market is supportive. The latest Commitment of Traders report showed Large Speculators exiting their profitable long positions, with their net position shrinking about 4% from last week's levels and down 7% from the record large position that they held two weeks ago. Forward contract values could see cautious gains this week, if traders get confirmation that the slide in cash pork values has stopped.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading higher as political tensions in the Ukraine are adding support to grains this morning. As well, the recent Commitments of Traders reports showed a net long position among the non-Commercial traders, but rumors that the large fund "buying spree" is waning is adding pressure. Some pressure also comes from Chinese 'cancellations' of Brazilian orders and a lack of customers (so far) for Argentine product.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. Support for corn comes mainly from Black Sea geopolitics and the US weather this morning. There are thoughts that the increasing military activity in the Black Sea region (not ruling out a Russian naval blockade) could hamper normal grain handling and transportation activity. The Midwest remains dry allowing for fieldwork, but cool soil temperatures and reports that some growing areas are still dealing with up to 12 inches of frost are adding support.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		231.67 239.21	235.69 241.22	228.85 236.41	210.37 228.71	193.75 202.31	190.89 197.47	164.54 172.63	170.11 172.63
Maple Leaf Sig. #4		227.16 233.39	229.30 235.34	223.37 230.98	210.65 224.01	191.13 205.38	191.02 193.96	165.90 176.67	170.99 174.61
Soymeal Winnipeg Delivered	613	618	618	620	620	620			
Corn Winnipeg Delivered	186	188	188						

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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