



Hog Margin Outlook

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Tuesday, April 15, 2014

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

US Slaughter	
377,000	Monday
412,000	Monday (year ago)
W. Corn Belt	\$118.81
National Price	\$123.07
Daily Sig 3	\$238.90
Daily Sig 4	\$239.64
Thunder Creek	\$238.81
4-Month Fwd.	\$231.47
B of C Ex. Rate (Noon) \$1.0970 CAD/ \$0.9115 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)	\$94.00 cwt.

Forward contract prices opened mixed this morning. US cash markets started the week higher with packers attempting to secure this week's slaughter schedule by adding money to their cash bids. Hog numbers appear to have stabilized, if only temporarily, with weekly slaughter of barrows and gilts averaging about 5% lower than year ago levels for the last month. Pork supplies are also tight, but prices have taken a breather in part due to Easter holiday demand being covered. Next week's Monthly Cold Storage report is more highly anticipated than normal as traders will use it as a gauge of how short the market is of fresh and frozen pork. Lean Hog futures made solid gains in trade yesterday, but are taking back some those gains in trade early this morning. The June contract is currently running at a \$5.00/cwt discount to the current cash market, reflecting a price trend that is counter seasonal. Normally, the weekly number of hogs slaughtered will drop about 10% from mid-April to mid-June, which almost always precipitates a higher trend in the cash market.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. While lower than last week, export inspections are well above the USDA forecast pace calling for 99,000 tonnes needed to reach predictions; yesterday's report showed the US exported 267,939 tonnes last week. Export sales are over 100% of USDA predictions and cumulative shipments are at 95.2% of estimates (84.5% 5-yr. avg.). There is still no word of significant Chinese cancellations (for US orders) and export demand remains robust sustaining support in the trade.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower despite a litany of factors than should be supportive for old and new crop. For old crop, Ukraine tensions are supportive amid talk that Spain and Egypt could be buying from the US; weekly export inspections beat expectations. For new crop, soil temperatures remain low; crop progress report showed 3% completed, behind the 5-yr average of 6%. While it is still very early in the season, weather and progress reports are expected to imminently factor more heavily on the market.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		236.20 243.77	240.24 245.79	235.06 242.64	211.43 234.85	195.75 203.34	191.33 197.91	164.26 172.36	169.83 172.36
Maple Leaf Sig. #4		230.79 237.04	233.13 239.19	228.79 236.43	211.69 229.58	192.11 206.41	191.45 194.39	165.63 176.41	170.73 174.36
Soymeal Winnipeg Delivered	628	633	633	636	636	636			
Corn Winnipeg Delivered	186	188	188						

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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