



Hog Margin Outlook

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Monday, April 21, 2014

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

US Slaughter	
2.007 mil.	Last Week
2.140 mil.	Last Week (year ago)
W. Corn Belt	\$115.65
National Price	\$119.47
Daily Sig 3	\$233.14
Daily Sig 4	\$233.23
Thunder Creek	\$232.70
4-Month Fwd.	\$229.45
B of C Ex. Rate (Noon)	
\$1.0998 CAD/ \$0.9093 USD	
Cash Prices Week Ending April 18, 2014	
Signature 3	106.85/235.56
Signature 4	107.87/237.80
h@ms Cash	107.18/236.30
Hylife	n/a
Thunder Creek	110.72/244.10
ISO Weans	\$80.70 US Avg.
Feeder Pigs	\$136.88 US Avg.
#1 Export Sows (+500lbs)	\$94.00 cwt.

Forward contract prices opened mixed this morning. US cash market bids are expected to start the week steady to slightly lower as most US packers are taking their holiday hours today, as opposed to Friday. Hog supplies are expected to shrink in line with normal seasonality meaning that each slaughter week will run about 1.5% lower than the previous week for the next 6 weeks. This decline in supply is in addition to any 'hole' in marketings caused by losses from PED. The pork cut-out experienced a gain in value on Friday, a supportive indicator given the weakness seen in some of the primal cuts. Lean Hog futures are currently trading in the middle of this month's trading range with a premium being built into the summer month contracts when compared to the cash market. If the number of positive test results is an indicator for the amount of pigs lost to PED, the impact of the disease on the available supply will be greater in 2 months than it is currently. Producers looking to bring price certainty to their summer production should consider setting targets \$5-\$8/ckg higher than the current forward prices.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower. Pressure comes from decent weather and some technical selling. Despite international headlines highlighting a delicate situation in the Ukraine, there is talk that the grain handling and transportation system still is operating and moving grains to markets. Cumulative US soybean sales are currently at 103.7% of USDA estimates (93.8% 5- year average) and cumulative soymeal sales are at 90.2% (76.1% 5-year average).

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. Reports of dry 'pockets' of growing areas over the US are leading some to suggest planting progress could be ramped up; there is talk that up to 15% may be reported planted (up from 3% last week) in the next progress report that is scheduled for release today at 4:00PM (Eastern). 125,000 MT were sold to S. Korea last week but there is talk of meagre export demand opportunities in the short term. There are reports that the managed funds have decreased their net long positions, adding pressure.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		239.66 244.72	241.18 246.75	237.44 245.05	210.43 237.00	193.70 202.32	190.61 197.22	163.26 171.40	168.85 171.40
Maple Leaf Sig. #4		236.20 237.96	234.04 240.12	231.11 238.77	210.74 231.66	191.10 205.44	190.78 193.74	164.69 175.52	169.81 173.46
Soymeal Winnipeg Delivered	630	633	633	635	635	635			
Corn Winnipeg Delivered	186	188	188						

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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