



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, June 03, 2014

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

US Slaughter	
379,000	Monday
399,000	Monday (year ago)
W. Corn Belt	\$108.84
National Price	\$109.49
Daily Sig 3	\$217.36
Daily Sig 4	\$211.73
Thunder Creek	\$211.33
4-Month Fwd.	\$217.17
B of C Ex. Rate (Noon)	
\$1.0895 CAD/ \$0.9178 USD	
Cash Prices Week Ending May 30, 2014	
Signature 3	97.67/215.32
Signature 4	96.12/211.91
h@ms Cash	95.44/210.41
Hylife	95.22/209.93
Thunder Creek	98.79/217.80
ISO Weans	\$70.77 US Avg.
Feeder Pigs	\$110.37 US Avg.
#1 Export Sows (+500lbs)	\$70.00

Forward contract prices opened higher this morning. US cash markets started the week higher, supported by stronger wholesale pork prices and a tightening hog supply. Last week, average carcass weights fell by 1 lb in the US, indicating that producers had to take lighter animals from the barn in order to make up their loads and fulfill delivery commitments. It is noteworthy to remember that last week had a holiday reduced slaughter schedule, which should have made it easier for producers to maintain their shipping weights. Many cash and futures market participants are considering last week's stats as a turning point in the recent supply trend, where many anticipate a sharp reduction in numbers over the next 5 weeks. The July Lean Hog futures contract is holding a \$10/cwt premium to the current cash index price, suggesting that the cash market will climb an average of \$2.00/cwt per week until mid-July. The market believes that the tightest supplies will be in mid-August where that contract holds an additional \$5.00/cwt premium over the July. Producers that have not hedged the late summer, early fall timeframe should consider pricing a portion of their production at current prices.

Canadian delivered soymeal prices opened higher this morning. The volatility continues in the meal trade. Yesterday saw early morning pressure quickly followed by a rally of some \$13 CAD/mt. to close out the day: S. Manitoba deliveries reached \$655 CAD/mt. There is talk that the rationing price for meal is not yet reached and with sustained US interior crush demand, support is expected until the new crop becomes available. Yesterday's Crop Progress report showed 78% planted (70% 5-yr. avg.) and 50% emerged, at the higher end of pre-report estimates.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower. Pressure continues for corn amid decent weather and optimistic crop reports. Yesterday's Crop Progress report showed June 1 progress to be at 95% (94% 5-year average) with 80% emerged, 63% of which in good/excellent condition. The numbers reflect the higher pre-report estimates and have added to the pressure. Continued favourable weather – timely rain and heat – will be crucial as there is still a lot of time between now and harvest.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #3		235.90 238.41	225.53 247.74	209.98 217.50	205.87 212.40	175.01 183.05	180.54 183.05	171.29 171.29	165.26 172.80	165.26 166.26
Maple Leaf Sig. #4		228.05 230.77	223.74 240.10	204.31 218.49	203.93 206.85	174.44 185.14	179.50 183.10	171.13 171.52	165.68 173.27	165.68 165.68
Soymeal Winnipeg Delivered	652	653	653	653						
Corn Wpg. Delivered	193	194								

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Some Important h@ms Marketing Phone Numbers

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STRENGTH IN NUMBERS

