



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
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Wednesday, June 11, 2014

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

US Slaughter	
410,000	Tuesday
404,000	Tuesday (year ago)
W. Corn Belt	\$114.52
National Price	\$110.89
Daily Sig 3	\$229.12
Daily Sig 4	\$214.84
Thunder Creek	\$229.01
4-Month Fwd.	\$221.60
B of C Ex. Rate (Noon)	
\$1.0915 CAD/ \$0.9161 USD	
Cash Prices Week Ending June 6, 2014	
Signature 3	98.77/217.75
Signature 4	96.16/212.00
h@ms Cash	95.48/210.50
Hylife	95.45/210.44
Thunder Creek	97.39/214.70
ISO Weans	\$74.93 US Avg.
Feeder Pigs	\$110.57 US Avg.
#1 Export Sows (+500lbs)	\$70.00/cwt. tagged

Forward contract prices opened mixed this morning. US cash markets made gains in the afternoon reporting session, but the trade continues to exhibit choppy behavior that reflects uncertainty in the hog supply over the short term. Packer bids are up approximately \$3.00/cwt from last week, with this week's slaughter on pace for about 1.91 million hogs, close to 5% lower than year ago levels. On the other hand, heavy carcass weights are making up most of the deficit in numbers as they remain over 215 lbs. or 5.5% higher than year ago levels. Summer month futures are holding a record large premium to the current cash market, reflecting the market's optimism that cash will move higher at a pace of \$2.00/cwt per week, for the next 5 weeks. Should hog volumes and weights not experience a dramatic decline over the next month, it will become increasingly difficult to rationalize the premium that futures hold over already record high cash prices for this time of the year. Producers who have not yet priced a portion of their production that will be marketed in the July and August timeframe should consider current forward prices as good value given the premium and market uncertainty.

Canadian delivered soymeal prices opened lower this morning. Today the USDA will release of some important reports; among them, WASDE, Crop Production, and reports on the worldwide markets for grains and oilseeds (12:00 noon and 12:15PM, Eastern Time). As such, morning trading is expected to be relatively light but interspersed with some pre-report positioning. Generally the trade is expecting more tightness in old crop ending stocks: ~127 million bu., down from the current 130 million bu. Favourable weather and crop condition reports favor the bears.

Canadian delivered corn prices opened even this morning. As with soybeans, activity in the corn trade is relatively muted and expected to remain so until after the release of the USDA's reports. In terms of the WASDE report, the market is looking for old crop ending stocks to be raised to 1.170 billion bu. from 1.146 billion bu. in the last report. Good weather and Chinese demand concerns are pressuring. Planting progress for the US crop is generally considered completed and the focus will now turn toward emergence, crop conditions and of course, the weather.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #3		241.43 243.93	227.62 251.32	211.14 219.63	207.99 214.49	175.09 183.09	180.59 183.09	173.61 173.61	167.83 175.12	167.83 169.34
Maple Leaf Sig. #4		233.41 236.12	225.73 243.56	206.40 220.51	205.96 208.87	174.49 185.14	179.53 183.11	173.38 173.77	168.17 175.52	168.17 169.15
Soymeal Winnipeg Delivered	630	631	631	631						
Corn Wpg. Delivered	182	182								

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WINNIPEG LIVESTOCK
 HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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