



Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, June 16, 2014

Hog Prices: ↓ Soymeal: ↔

Corn: ↔ CDN Dollar: ↓

US Slaughter	
1.915 mil.	Last Week
1.950 mil.	Last Week (year ago)
W. Corn Belt	\$116.45
National Price	\$113.85
Daily Sig 3	\$231.98
Daily Sig 4	\$219.63
Thunder Creek	\$231.56
4-Month Fwd.	\$226.40
B of C Ex. Rate (Noon)	
\$1.0868 CAD/ \$0.9201USD	
Cash Prices Week Ending June 13, 2014	
Signature 3	103.06/227.21
Signature 4	97.54/215.04
h@ms Cash	96.86/213.54
Hylife	97.37/214.67
Thunder Creek	99.61/219.60
ISO Weans	\$74.18 US Avg.
Feeder Pigs	\$112.23 US Avg.
#1 Export Sows (+500lbs)	\$70.00/cwt. tagged

Forward contract prices opened higher this morning. US cash markets gained value for most of last week but finished Friday slightly lower with packers hesitant to chase hogs higher. Last week's slaughter was estimated at 1.915 million hogs, about 2% smaller than year ago levels, but pork production came in at 413 million pounds or about 4.3% larger than year ago levels. Most traders had not anticipated carcass weights to hold steady around 216 lbs. through mid-June, which has forced many to re-think the impact of PED on the summer market. The July futures continues to hold a \$12/cwt premium over the current cash market, while the August contract maintains a \$16/cwt premium, a price relationship with the cash market that has never before been seen. This implies that US cash prices will gain about \$2.00/cwt per week for the next 8 weeks. Producers that have not yet priced a portion of their late summer/early fall production should consider current prices as good value in the context of today's market fundamentals.

Canadian delivered soymeal prices opened even this morning. US soybeans are trading mixed. Following last week's long liquidation by the funds, today's nearby contracts see some support on stocks tightness while optimistic new crop expectations are pressuring the deferred offerings. The crop outlook is generally quite positive although there are some concerns too much rain will inhibit crop progression in some regions; the five-day forecast is showing up to 5 inches of rain in growing areas across the northern Midwest. The Crop Progress report will be released today at noon, Eastern.

Canadian delivered corn prices opened even this morning. Positive weather remains the driving force behind market movements although some political unrest in the Middle East and Ukraine are mildly supportive. Unlike soybeans, corn growing areas of the US are not expected to see 'too much' rain in the forecast and plenty of moisture is welcomed this time of year in any event; to this point, planting and growing conditions have been near ideal. The USDA is no longer reporting on corn's planting progress as it is considered complete. The market will be watching for condition ratings which are expected to be bearish.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		243.46	231.84	215.40	212.17	180.00	185.49	176.97	168.16	168.16	170.63
		241.97	251.93	223.87	218.65	187.98	187.98	176.97	178.47	169.66	
Maple Leaf Sig. #4		233.54	228.56	209.26	208.74	178.75	183.77	176.21	168.46	168.46	169.89
		236.24	243.00	223.35	211.64	189.38	187.35	176.60	178.35	169.43	
Soymeal Winnipeg Delivered	602	604	604	604							
Corn Wpg. Delivered	179	183									

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WINNIPEG LIVESTOCK
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