



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
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Tuesday, June 17, 2014

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

US Slaughter	
379,000	Monday
390,000	Monday (year ago)
W. Corn Belt	\$117.33
National Price	\$113.53
Daily Sig 3	\$233.35
Daily Sig 4	\$218.64
Thunder Creek	\$233.06
4-Month Fwd.	\$217.84
B of C Ex. Rate (Noon)	
\$1.0850 CAD/ \$0.9216USD	
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) \$77.00/cwt. tagged	

Forward contract prices opened lower this morning.

US cash markets started the week higher yesterday, rallying to the highest level in two months. However, cash prices remain well shy of the high experienced in late March during the height of speculation of hog shortages due to PEDv. Hog numbers are not as tight as most had anticipated, but carcass weights continue to be the factor that has resulted in pork production exceeding year ago levels. Yesterday, summer months' Lean hog futures closed limit down as traders had difficulty rationalizing the premium that these contracts held over the current cash market. Even with yesterday's move, the August futures contract continues to trade at an unprecedented premium to the cash market. Late summer and early fall forward prices currently represent good value given the ongoing uncertainty in supply.

Canadian delivered soymeal prices opened lower this morning.

Indicators that would be traditionally bullish have failed to rally buyers or even stop the recent decline. To be sure, better than expected export and crush data, along with crop conditions showing a one percentage drop rather than the expected 2-3% increase, could have sparked a turnaround. However, conditions are still rated relatively high and the influence of a potential record US production on record acres and trend line yields is proving to be a lot of pressure; there is talk of more liquidation ahead of new crop.

Canadian delivered corn prices opened even this morning.

US corn futures are trading lower. The weather has been the predominant influence on the market as of late and continues to place pressure on the trade. There has been talk of heavier rainfall in some important growing areas but talk of 'too much' rain is limited in scope, and areas that could succumb to crop damaging moisture are expected to be localized and relatively modest. Warmer temperatures are expected to follow this recent bit of rainfall and contribute positively to crop development, adding pressure.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		239.92	229.14	212.67	209.70	176.43	181.93	173.12	166.66	166.66	169.05
		241.41	249.64	221.15	216.21	184.43	184.43	173.12	174.62	168.16	
Maple Leaf Sig. #4		231.55	225.95	206.62	206.36	175.30	180.34	172.49	167.01	167.01	168.36
		234.26	240.77	220.73	209.27	185.96	183.93	172.88	174.62	167.98	
Soymeal Winnipeg Delivered	589	590	590	590							
Corn Wpg. Delivered	179	183									

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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