



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, June 18, 2014

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

US Slaughter	
380,000	Tuesday
392,000	Tuesday (year ago)
W. Corn Belt	\$117.96
National Price	\$115.19
Daily Sig 3	\$234.64
Daily Sig 4	\$221.88
Thunder Creek	\$234.34
4-Month Fwd.	\$213.56
B of C Ex. Rate (Noon)	
\$1.0852 CAD/ \$0.9214USD	
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 moved higher in trade yesterday, with packers focused on meeting their slaughter requirements for this week. Packers are anticipating good sales ahead of the upcoming July 4th long weekend when meat consumption spikes higher. However, producers do not appear to be influenced to send hogs to market any earlier, as market signals are providing an incentive to maximize carcass weights and delay deliveries to capitalize on the up trending market. The July futures contract is maintaining a \$9.00/cwt premium over the cash market, implying packers will increase bids an average of \$2.25/cwt per week over the next 4 weeks. Deferred month contracts experienced a sharp sell-off over the last two days, with the December contract taking back about \$5.00/cwt in gains that accumulated over the last two weeks. Traders remain split on the impact of PED losses on the market, especially with carcass weights showing no seasonal declines. This is resulting in a volatile price trend that is likely to continue through the summer months.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading higher. There is talk of demand from China for Brazil beans this morning. The problem is there are rumors sellers have all but shut down operations amid World Cup events or festivities resulting in a firming basis and adding support. Nearby fundamentals in the US remain supportive as well, along with news that interior crushers could be scrambling for supplies approaching new crop availability. Decent weather and growing conditions are keeping any new crop upside in check.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. The bounce follows sessions of losses, in part, as a result of ideal weather in most growing regions leading to optimism in terms of new crop supply. The current supply situation is also experiencing little relative pressure. However, expectations of increasing exports and some concern around heavy rainfall in some areas are supportive and turning the trade around this morning. Increasing tensions in the Ukraine could be supportive but there have been no reports of significant infrastructure disruption yet.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		240.21	222.74	206.27	203.22	170.37	175.87	168.25	162.54	162.54	164.84
		241.71	247.55	214.75	209.72	178.37	178.37	168.25	169.75	164.05	
Maple Leaf Sig. #4		231.84	219.75	200.42	200.08	169.43	174.47	167.78	163.03	163.03	164.28
		234.54	238.76	214.53	202.99	180.09	178.05	168.16	169.91	164.00	
Soymeal Winnipeg Delivered	584	586	586	586							
Corn Wpg. Delivered	179	183									

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HWY #6 AND RD 236

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