



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, July 15, 2014

Hog Prices: ↑ Soymeal: ↓

Corn: ↔ CDN Dollar: ↓

US Slaughter	
368,000	Monday
399,000	Monday (year ago)
W. Corn Belt	\$133.02
National Price	\$129.78
Daily Sig 3	\$261.43
Daily Sig 4	\$246.98
Thunder Creek	\$260.85
4-Month Fwd.	\$213.45
B of C Ex. Rate (Noon)	
\$1.0722 CAD/ \$0.9326 USD	
Cash Prices Week Ending July 11, 2014	
Signature 3	115.68/255.02
Signature 4	110.10/242.72
h@ms Cash	109.42/241.22
Hylife	109.46/241.31
Thunder Creek	112.04/247.00
ISO Weans	\$75.55 US Avg.
Feeder Pigs	\$119.13 US Avg.
#1 Export Sows (+500lbs)	\$76.50/cwt. tagged

Forward contract prices opened higher this morning. US cash markets are called to open higher again this morning, with yesterday's trade reportedly gaining about \$2.00/cwt in the Western Corn Belt and Iowa/S. Minnesota regions. The daily slaughter was reported at 368,000 hogs, approximately 8% lower than year ago levels and significantly smaller than the USDA's estimates released just 3 weeks ago. The recent reduction in slaughter does not appear to be an anomaly, with many packers cutting their Friday kill due to a lack of hogs ready for market. Carcass weights also suggest that producers are current with their deliveries as average weights were down 1 pound from the previous week. Futures market activity was influenced by the cash market yesterday, with traders willing to add value to the August and October contracts to narrow the gap to the current cash market. However, these contracts are still exposed to more fund selling which has been prevalent over the last two weeks. While forward prices currently appear to be probing for new highs, the market remains volatile and could turn sharply lower in response to more fund selling.

Canadian delivered soymeal prices opened lower this morning. More pressure for the trade on talk of potentially weak demand from China. Thoughts of a new crop supply surge are also weighing on the market and yesterday's bounce is generally considered just that; a bounce amid a bearish fundamental picture moving forward. Crop progress came in at 72% good/excellent, 12% higher than the 10 year averages and exactly in line with market expectations. There are some concerns with old crop meal availability but Friday's WASDE report alleviated some of that concern.

Canadian delivered corn prices opened even this morning. The corn market remains under pressure and is trading under \$4 USD/bu. across all contracts. Unlike western Canadian flooding, rain in the US has been beneficial for the most part, replenishing soil moisture levels and prepping corn for the pollination phase which will require some warmer weather, which is forecast. In sum, weather in the US remains largely ideal. There are rumors this morning that the market could be pricing in (i.e. expecting) 170 bpa yields for this year's crop despite unchanged estimates in last Friday's WASDE report.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		237.98 248.29	221.71 230.09	216.73 225.13	191.10 200.98	192.58 199.00	185.23 185.23	179.83 186.71	179.83 181.31	182.08 187.03
Maple Leaf Sig. #4		234.65 241.30	215.55 229.49	213.51 218.10	187.54 200.55	192.32 195.96	182.43 182.81	177.78 184.73	177.59 178.55	177.86 182.84
Soymeal Winnipeg Delivered	529	529	531	439	436	436				
Corn Wpg. Delivered	177									

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution (including email forwarding) of the HMO is strictly prohibited.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236

CALL CRYSTAL FOR MORE INFO 204-235-2225

LIGHT HOG PROGRAM!

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS