



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, July 21, 2014

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

US Slaughter	
1.833 mil.	Last Week
2.012 mil.	Last Week (year ago)
W. Corn Belt	\$127.64
National Price	\$130.92
Daily Sig 3	\$251.21
Daily Sig 4	\$249.51
Thunder Creek	\$250.67
4-Month Fwd.	\$208.93

B of C Ex. Rate (Noon)
 \$1.0737CAD/ \$0.9313USD

Cash Prices Week Ending July 18, 2014	
Signature 3	116.82/257.55
Signature 4	113.10/249.33
h@ms Cash	112.41/247.83
Hylife	112.30/247.57
Thunder Creek	115.94/255.60

ISO Weans \$77.77 US Avg.
 Feeder Pigs \$118.90 US Avg.
 #1 Export Sows (+500lbs)
 \$76.50/cwt. tagged

Forward contract prices opened mixed this morning. US cash markets are expected to move higher to kick off this week, with hog supplies tight and wholesale pork prices strong. Last week's slaughter was estimated at 1.833 million hogs compared to last year's 2.012, a 9% deficit in hog supply. However, hog weights continue to see no significant seasonal effect, maintaining levels better than 214 lbs., more than 10 lbs. heavier than year ago levels. Analysts are not expecting to see a major shift from the current supply factors until September, which should lead to near-term support. Lean Hog Futures have been under pressure over the last 2 weeks, and are all trading at a discount to the current cash market with August priced this morning \$7.00/cwt lower than the current CME Index price. But technical indicators are showing some 'buy' signals, with recent fund activity adding to their net long position. Fundamental support comes from the ongoing short supply and record high wholesale pork values. Producers looking to price some of this fall or winter's production should consider setting targets \$10-15/ckg higher than current forward prices as the market remains choppy with the potential to regain a bullish trend.

Canadian delivered soymeal prices opened higher this morning. The soybean complex continues to factor in ideal weather conditions, cementing the bearish trend that has developed over the last 2 months. Last week's supportive news of more export sales announcements was discarded by the market as it is squarely focused on the excellent yield potential of this year's crop. Producers can continue to delay pricing winter feed requirements, as the market does not appear to have significant upside risk in the near term.

Canadian delivered corn prices opened even this morning. Corn futures are trading sharply lower again this morning, factoring in the prospect of record yields resulting from the excellent growing conditions. Prices have fallen close to 30% over the last two months, as the crop's condition has improved, a counter-seasonal trend.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		232.42 239.03	216.30 224.68	211.30 219.71	189.06 198.95	190.55 196.97	187.31 187.31	180.42 188.79	180.42 181.90	182.70 187.65
Maple Leaf Sig. #4		228.50 232.33	210.32 224.26	208.26 212.85	185.57 198.59	190.36 194.00	184.45 184.83	178.35 186.75	178.16 179.12	178.45 183.44
Soymeal Winnipeg Delivered	534	534	537	444	441	441				
Corn Wpg. Delivered	182									

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WINNIPEG LIVESTOCK HWY #6 AND RD 236

ACCEPTING: SOWS, BOARS, LIGHTS, MARKET HOGS

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