



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, August 14, 2014

Forward contract prices opened lower this morning. US cash markets continue to erode, with the Midwest regions reporting cash bids \$3.00 lower than Tuesday's trade. Packers continue to cut their bids in order to stay ahead of the slide in wholesale pork prices that has seen ham values lose 20% of their value in the last week. By all accounts, producers are trying to stay current with their marketings to minimize the damage from collapsing cash prices, with this week's slaughter anticipated to be around 2 million hogs or about 8% lower than year ago levels. The futures market is pricing in an additional \$24/cwt decline in cash prices over the next two months as reflected by the massive discount that the October is trading to the cash market index. The projected collapse represents a decline that is more than twice as large as the 3-yr average trend over this time frame, despite the common belief that hog supplies will remain 5-10% tighter than year ago levels. Producers looking for near-term protection should consider setting targets, or delaying action until cash market fundamentals turn positive.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. Contract lows were reached in overnight trade as traders wrestle with USDA numbers that, while accurate from a data collection standpoint, are generally viewed as being a little too bullish based on fundamental expectations. Among traders, there is a general expectation of a larger crop ahead than reported especially as the weather is cooperating so far. However, old crop stocks remain tight despite being raised in Tuesday's WASDE report and the nearby contract has bounced off its recent lows.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. Support comes in part from some technical short covering following the 'bullish' WASDE report that estimated new crop average yield at just over 167 bpa, a far cry from the 170+ bpa being suggested leading up to the report. Regardless, the US is still facing a potentially huge new crop and is getting some pressure following news of export demand uncertainty from China and potential for a larger than expected Ukraine crop.

US Slaughter	
408,000	Wednesday
428,000	Wednesday (year ago)
W. Corn Belt	\$107.46
National Price	\$116.18
Daily Sig 3	\$215.27
Daily Sig 4	\$225.38
Thunder Creek	\$214.79
4-Month Fwd.	\$169.84
B of C Ex. Rate (Noon)	
\$1.0929 CAD/ \$0.9149 USD	
Cash Prices Week Ending August 8, 2014	
Signature 3	106.04/233.78
Signature 4	106.95/235.79
h@ms Cash	106.27/234.29
Hylife	105.23/231.98
Thunder Creek	109.54/241.50
ISO Weans	\$68.98 US Avg.
Feeder Pigs	\$107.74 US Avg.
#1 Export Sows (+500lbs)	89.00/cwt. tagged

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		181.65 184.15	176.51 185.03	155.77 165.79	157.27 163.78	155.31 160.83	158.52 162.34	158.52 160.03	161.10 166.14
Maple Leaf Sig. #4		178.71 187.24	176.56 181.22	155.89 169.09	160.74 164.43	159.05 161.19	158.76 162.94	158.57 159.54	159.12 164.20
Soymeal Winnipeg Delivered	550	550	451	445	445	443	443	443	
Corn Winnipeg. Delivered	159	159							

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.



Some Important h@ms Marketing Phone Numbers

Main Switchboard: 204-233-4991
Logistics Coordinator (Crystal): 204-235-2225
Forward Contracting: 204-235-2237
Toll Free: 1-800-899-7675

STRENGTH IN NUMBERS

