



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, August 20, 2014

Forward contract prices opened lower this morning. US cash markets continue to come under sustained pressure that has been a function of a further \$1.36 USD/cwt erosion of the pork cut-out's value, and on aspects of seasonality. There are thoughts that the ham primal will be the 'one to watch' for the cut-out value's direction in the near term. ISM and WCB reporting regions posted lower base prices of \$2.31 and \$2.20 USD/cwt. respectively; National was also lower at \$1.67 USD/cwt. from previous day. The silver lining (and thing to remember) is that cash prices are still historically high. Lean Hog futures traded in a choppy pattern yesterday, closing mixed. Uncertainty regarding export demand, as well as seasonality and PEDv concerns are influencing factors. There is an expectation that effects from PEDv will have stabilized somewhat heading into 2015 - likely after the peak of reported (March) accessions 'passes' (i.e. for the market-ready hog crop starting in September), adding pressure. That is not to say there will be no new PEDv cases; there probably will be. However, there are thoughts that the industry as a whole will be better equipped to handle PEDv in part through best practices and improved herd resistance from exposure. Nonetheless, PEDv remains a wild-card as the market attempts to price in these uncertainties with volatility the only sure thing in the short to medium term.

Old Crop Canadian delivered soymeal prices opened higher this morning. Very tight ending stocks are currently driving the nearby price for meal as some interior US crushers are rumored to be shutting down this week due to lack of supplies. Basis widened by \$20 CAD/MT yesterday and another \$15 this morning (!) to push S. Manitoba deliveries over \$635 again at opening. Producers that haven't secured meal supplies out to harvest could be facing high prices and/or supply issues unless supply and demand numbers (i.e. interim imports and exports) are amended on the US balance sheets.

Canadian delivered corn prices opened lower this morning. US corn futures are trading lower. Unlike beans, corn has been at least relatively consistent in its market direction. Today, influences come from bearish weather reports showing showers (forecast and current) for most of the Corn Belt, aiding new crop development. The Pro Farmer Crop Tour has reported lower than expected yields keeping some of the downside in check.

US Slaughter	
407,000	Tuesday
432,000	Tuesday (year ago)
W. Corn Belt	\$99.56
National Price	\$109.16
Daily Sig 3	\$199.45
Daily Sig 4	\$211.76
Thunder Creek	\$198.96
4-Month Fwd.	\$169.34
B of C Ex. Rate (Noon)	
\$1.0929 CAD/ \$0.9149 USD	
Cash Prices Week Ending August 15, 2014	
Signature 3	100.18/220.85
Signature 4	102.88/226.80
h@ms Cash	102.20/225.30
Hylife	100.94/222.53
Thunder Creek	104.92/231.30
ISO Weans	\$61.65 US Avg.
Feeder Pigs	\$103.90 US Avg.
#1 Export Sows (+500lbs)	81.00/cwt. tagged

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		180.52 181.53	175.39 183.93	158.04 168.09	159.55 166.08	158.31 163.86	161.34 165.37	161.34 162.85	162.61 167.63
Maple Leaf Sig. #4		177.63 179.76	175.49 180.16	158.10 171.34	162.97 166.67	162.00 164.15	161.51 165.91	161.32 162.29	160.57 165.63
Soymeal Winnipeg Delivered	638	638	455	445	445	444	442	442	
Corn Winnipeg. Delivered	155	158							

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Some Important h@ms Marketing Phone Numbers

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STRENGTH IN NUMBERS

