



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

www.hamsmarketing.ca

Monday, August 25, 2014

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

US Slaughter	
1.991 mil.	Last Week
2.204 mil.	Last Week (year ago)
W. Corn Belt	\$95.10
National Price	\$103.52
Daily Sig 3	\$190.88
Daily Sig 4	\$201.20
Thunder Creek	\$190.85
4-Month Fwd.	\$169.67
B of C Ex. Rate (Noon)	
\$1.0950 CAD/ \$0.9132 USD	
Cash Prices Week Ending August 22, 2014	
Signature 3	90.28/199.03
Signature 4	95.99/211.62
h@ms Cash	95.31/210.12
Hylife	93.54/206.21
Thunder Creek	97.89/215.80
ISO Weans	\$57.49 US Avg.
Feeder Pigs	\$78.59 US Avg.
#1 Export Sows (+500lbs)	81.00/cwt. tagged

Forward contract prices opened higher this morning. US cash markets remain under pressure to start this week, as packers appear comfortable operating their plants below capacity. For close to five months, several plants have cut their Friday production schedules, resulting in that day's US wide slaughter running at about 80% of normal levels. While some have added those hours back in the last few weeks, reflecting normal seasonal trends in hog supply, many plants remain significantly under operating capacity. With pork prices continuing their unprecedented decline of \$25/cwt over the last two months, packers are content to delay adding hours to their production schedule. Lean Hog futures are called steady to lower this morning, on bearish cash market influence. However, pork inventory reported in the latest Cold Storage report was shown to be down about 3% from year ago levels which may provide some support. Fund activity in the Lean Hog futures has been decisively bearish, with their net long position shrinking to the smallest level seen this year.

Canadian delivered soymeal prices opened mixed this morning. US soybean futures are trading mixed. Following the trend last week, the nearby contract is trading higher on tight ending stocks while the deferred contracts are lower on bearish weather across much of the Midwest. There is talk that early harvest beans will soon be in the Gulf but more time is needed for harvest to make its way into the interior. There is talk that S. American producers will plant even more beans this year, hinting at pressure for the complex in the longer term.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower on good weather and generally favourable reports from the ProFarmer Crop Tour that has pegged average yield at 169.3 bpa (a record above trend line) producing an estimated 14.093 billion bu. Although 169.3 is lower than some estimates, it is important to remember there were some important growing areas estimated above the closely watched 170 bpa number. There is talk S. American corn acres will likely be significantly scaled back this season.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		182.18	176.03 184.60	159.84 169.92	161.35 167.91	159.79 165.33	165.83 167.20	167.20 168.72	168.59 173.61
Maple Leaf Sig. #4		178.27	176.13 180.81	159.86 173.14	164.74 168.45	163.42 165.57	166.35 167.32	166.99 167.97	166.37 171.42
Soymeal Winnipeg Delivered	795	795	468	448	448	443	440	440	
Corn Winnipeg. Delivered	160	162							

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Some Important h@ms Marketing Phone Numbers

Main Switchboard: 204-233-4991

Logistics Coordinator (Crystal): 204-235-2225

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Toll Free: 1-800-899-7675

STRENGTH IN NUMBERS

