



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Tuesday, August 26, 2014

Forward contract prices opened higher this morning. US cash markets are trading lower this morning with US packers operating with profitable margins providing support. Wholesale pork prices appear to be finding some support at current levels, after the \$25/cwt decline experienced over the last month. Hog supplies appear to be growing in line with the normal seasonal trend, albeit starting at a lower level due to the PEDv losses over the last several months. There are still questions as to when the largest 'hole' in production will occur with some analysts maintaining the forecast that the largest impact from the disease on the hog supply has still yet been seen. Lean Hog futures are experiencing strength in early morning trade, continuing the highly volatile trend that has characterized the last month of trading. 2015 spring and summer month contracts are trading 3%-5% lower than their highs, but have seen support on speculation that the industry may still be impacted by pig losses due to PEDv in those months.

Canadian delivered soymeal prices opened lower this morning. Deferred contracts have been under pressure on bearish weather, no forecast frost and good yield estimates for new crop. However, the big news yesterday was that the nearby contract turned around dramatically. There is news that interior processor and crusher demand has fallen off as a result of secured supplies into the new crop and also that the smaller players have simply shut down, curbing demand; early new crop harvest has started as well. Meal prices dropped ~\$35 CAD/MT yesterday and have opened a further \$20 lower although they are still quite high.

Canadian delivered corn prices opened even this morning. It's an old refrain now, but bearish weather and modest demand outlooks continue to pressure the US corn trade. Other than the recent wrap up of the ProFarmer Crop Tour, there really isn't much market moving news in the corn trade at all. Good/excellent conditions were up 1% over previous week yesterday at 73%, a bearish influence. The Crop Tour pegged yield just below 170 bpa on average, higher than trend line but lower than market expectations. Nevertheless, there are expectations of a large US crop with traders currently speculating about 'the bottom'.

US Slaughter	
414,000	Monday
426,000	Monday (year ago)
W. Corn Belt	\$94.11
National Price	\$102.22
Daily Sig 3	\$189.41
Daily Sig 4	\$199.22
Thunder Creek	\$189.11
4-Month Fwd.	\$172.57
B of C Ex. Rate (Noon) \$1.0980 CAD/ \$0.9107 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)	\$72.00/cwt. tagged

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		184.03	177.93 186.93	163.26 171.32	164.77 171.32	163.34 168.89	166.67 170.41	168.19 171.72	173.06 178.14
Maple Leaf Sig. #4		181.04	178.94 183.62	163.76 174.49	168.63 172.34	162.77 169.03	166.97 170.79	166.97 170.49	170.34 175.45
Soymeal Winnipeg Delivered	743	743	449	439	439	436	435	435	
Corn Winnipeg. Delivered	160	162							

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Some Important h@ms Marketing Phone Numbers

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STRENGTH IN NUMBERS

