

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

# Hog Margin Outlook

Meeting Your Marketing Needs

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Wednesday, September 17, 2014

**Forward contract prices opened mixed this morning.** US cash markets gained another \$1.00/cwt in trade yesterday as packers continue to find live hog supplies tight and subsequently have to compete for uncommitted hogs. Yesterday, the pork cut-out gained nearly \$2.00/cwt, with ham values providing most of the support. Typically, primal ham values appreciate over the fall timeframe as wholesalers try to build supplies ahead of the US Thanksgiving holiday. Normally, this build up in inventory is done while hog supplies are more abundant, but with this year's constraints caused by PEDv losses, ham values could outpace the normal seasonal up-trend. However, the market is still anticipating a return to a 'normal' supply trend as reflected by the flat forward prices from December through June 2015. Producers looking at protecting a portion of their production should view prices earlier in this timeframe as better value, observing they are currently steady with the summer prices compared to a 3-yr. average spread that normally favours the summer timeframe by about \$40/ckg.

**Canadian delivered soymeal prices opened lower this morning.** Yesterday's Farm Service Agency (FSA) data influenced initial support after 'prevent plant acres' were revised upward resulting in a total estimate of 80.8 million planted as compared to the USDA's 84.8 million. However, FSA data has been known to underestimate 'actual' acreage, a by-product of sampling methods, a situation the market knows. Pressure came later in the day on suggestions of poor Chinese processor margins. There is talk that the new crop is technically oversold, but that the weather and the harvest should keep pressure on for now.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. The amount of corn acres not planted due to conditions at planting time were also revised upward to ~1.5 million meaning the FSA planted estimates are substantially below USDA estimates (84.8 to 91.6 million respectively). However, the market generally expects these differences; the support following the report's release has since reversed and is resuming its downward trend. There is still talk final yield estimates could approach 174 bpa, offsetting acreage loss.

US Slaughter	
417,000	Tuesday
432,000	Tuesday (year ago)
W. Corn Belt	\$104.21
National Price	\$102.31
Daily Sig 3	\$209.93
Daily Sig 4	\$199.59
Thunder Creek	\$210.36
4-Month Fwd.	\$180.39
<b>B of C Ex. Rate (Noon)</b>	
\$1.0990 CAD/ \$0.9099 USD	
<b>Cash Prices Week Ending September 12, 2014</b>	
Signature 3	92.03/202.89
Signature 4	86.15/189.93
h@ms Cash	85.47/188.43
Hylife	86.34/190.34
Thunder Creek	86.55/190.80
ISO Weans	\$60.57 US Avg.
Feeder Pigs	\$79.95 US Avg.
#1 Export Sows (+500lbs)	not available

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		200.96 204.48	174.09 182.14	175.60 181.64	170.88 176.43	168.97 177.94	170.48 174.01	174.94 177.97	176.76 183.81	181.81 187.88	184.30
Maple Leaf Sig. #4		198.89 201.82	173.07 183.01	177.16 180.86	168.90 175.15	168.60 176.12	168.60 172.32	172.73 174.89	173.81 181.84	180.08 184.97	180.93
Soymeal Winnipeg Delivered	643	432	417	417	414	412	412				
Corn Wpg, Delivered	155	155	163	168	168	168	171				

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.

STRENGTH IN NUMBERS

follow us @hamsmarketing  


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