



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Monday, September 22, 2014

Forward contract prices opened higher this morning. US cash markets are called steady to higher this morning with hog supplies tight relative to packer demand. Last week's slaughter, estimated at 2.05 million hogs was about 6% lower than the same week last year, and has shown no growth for the month of September. Packers continue to benefit from good operating margins with the pork cut-out trading at \$113.54/cwt, reflecting tight supplies of wholesale pork. The USDA recently released its retail price report on fresh meat which showed pork valued at a record high \$4.20/cwt in July, or 12% higher than July 2013. Pork prices have benefitted from tight supplies, but also from beef prices trading at record highs and providing fewer inexpensive alternatives for consumers. 2014 Lean Hog futures are supported by the ongoing tight live hog supply, but 2015 contracts represent a market sentiment that has the hog supply return to more normal seasonal patterns by the summer as reflected by flat forward price curve from January to July.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower. Despite trading in an oversold position technically, the complex remains under pressure. Weather continues to be a bearish influence with much of the Midwest in a drying pattern, described as ideal for finishing and harvest. There is talk that some average yields are coming in higher than 48 bpa. Planting has started in Brazil and there is talk acreage could be as much as 5% higher than last year. Local meal prices are coming down, however the recent drop is spurring demand and truck availability is tightening.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. As with soybeans, there is talk that harvest conditions should be ideal for the next 10 days. As well, yield reports from the field are surpassing expectations with some areas reporting 177+ bpa. Crop conditions for the good/excellent category remain relatively high at 74% (compared to 53% last year) and will be updated in today's report. There is evidence that the speculators have been getting out of short positions but rumors this move is a recent bout of profit taking following earlier frost fears.

US Slaughter	
2.050 mil.	Last Week
2.178 mil.	Last Week (year ago)
W. Corn Belt	\$105.52
National Price	\$104.01
Daily Sig 3	\$212.16
Daily Sig 4	\$202.05
Thunder Creek	\$212.29
4-Month Fwd.	\$176.74
B of C Ex. Rate (Noon)	
\$1.0969 CAD/ \$0.9116 USD	
Cash Prices Week Ending September 20, 2014	
Signature 3	95.09/209.64
Signature 4	90.55/199.63
h@ms Cash	89.87/198.13
Hylife	90.37/199.23
Thunder Creek	93.08/205.20
ISO Weans	\$61.72 US Avg.
Feeder Pigs	\$81.54 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			174.69 182.78	176.21 182.28	168.73 182.28	166.66 175.83	168.19 171.73	171.80 174.84	173.97 181.05	179.02 185.09	181.41
Maple Leaf Sig. #4			173.67 183.67	177.79 181.51	166.83 173.11	166.40 174.10	166.40 170.13	169.70 171.85	171.11 179.14	177.37 182.27	178.12
Soymeal Winnipeg Delivered	600	411	399	399	397	395	395				
Corn Wpg, Delivered	155	155	163	168							

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STRENGTH IN NUMBERS



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

