



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

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Monday, October 06, 2014

Forward contract prices opened mixed this morning. US cash markets ended the week near steady from where they started, but pork product values continued their bullish trend with daily gains averaging close to \$1.00/cwt over the last week. Hog supplies remain tighter than year ago levels with last week's slaughter running close to 6% less than year ago levels. However, the latest USDA report on hog inventory forecasts the hog supply to narrow the gap to 3% by the end of October. Lean Hog futures are expected to maintain their choppy trend and at the moment, packers have profit incentives to chase hog supplies. However, current market consensus is that hog prices will fall more than 10% over the next 2 months. 2015 forward contract prices reflect no seasonal trend in tighter numbers, which provides little incentive for producers to start covering their price risk beyond next April. The Canadian Dollar is making a positive contribution to cash and forward prices, trading near its lowest level since March, and approaching its lowest level in 5 years.

h@ms 2014 Fall Marketing Meeting Schedule		
Meeting	Date and Time	Location
Swift Current	Wed. Oct. 29 @ 10:00a	Days Inn - 905 North Service Road East
Saskatoon	Wed. Oct. 29 @ 5:00p	Sandman Hotel - 310 Circle Drive West
Headingley	Tues. Nov. 4 @ 2:00p	Headingley Com. Centre - 5353 Portage Ave.
Steinbach	Fri. Nov. 7 @ 12:00 noon	Smitty's Restaurant - Clear Spring Mall
Starbuck	Thurs. Nov. 13 @ 2:00p	Starbuck Community Hall - 25 Main Street

Canadian delivered soymeal prices opened higher this morning. US soybean futures are starting the week higher, predominantly led by supportive weather over the weekend that, while near expectations, saw approximately 1 ¼" of rain fall over much of the ECB and northern Midwest. Support could continue into the week on forecasts showing wetter weather for the next 6-10 days from the delta into the WCB. Harvest delays are now expected and the general expectation is that weather and technical indicators will have a greater influence on price movements barring any major demand-side announcement.

Canadian delivered corn prices opened higher this morning. US corn futures are trading higher. Like soybeans, the weather has been supportive for the trade as the forecast turns wetter for farmers exactly when they don't need it. The general consensus is that the harvest could be held up in some major growing regions and the markets, lacking any significant demand data, have been sensitive to news related to supply. Excessive rain in S. America has also been supportive to the US trade as the massive crop expectations could become curbed. The WASDE report will be released on Friday.

US Slaughter	
2.090 mil.	Last Week
2.219 mil.	Last Week (year ago)
W. Corn Belt	\$107.56
National Price	\$108.13
Daily Sig 3	\$221.92
Daily Sig 4	\$216.04
Thunder Creek	\$221.63
4-Month Fwd.	\$179.48
B of C Ex. Rate (Noon)	
\$1.1256 CAD/ \$0.8884 USD	
Cash Prices Week Ending October 04, 2014	
Signature 3	100.66/221.92
Signature 4	96.73/213.25
h@ms Cash	96.05/211.75
Hylife	96.16/211.99
Thunder Creek	98.97/218.20
ISO Weans	\$66.33 US Avg.
Feeder Pigs	\$84.94 US Avg.
#1 Export Sows (+500lbs)	\$53.50 cwt. Tagged

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		179.20 183.82	178.69 184.85	173.06 184.85	173.93 180.27	175.47 179.07	180.34 183.44	180.91 188.15	186.08 192.28	184.70 189.87
Maple Leaf Sig. #4		176.12 183.48	181.29 184.07	170.68 177.05	172.91 178.05	172.91 176.70	177.43 179.63	177.29 185.50	183.70 188.70	184.77 187.58
Soymeal Winnipeg Delivered	408	394	394	396	392	392				
Corn Wpg, Delivered	146	146	146							

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Improve Piglet Digestive Health from Day One "It's easy to use and very cost effective!"		Contact Andy Cell: 204-868-0419 Toll Free: 1-844-834-2702 ext. 235
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