



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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Friday, October 10, 2014

Forward contract prices opened lower this morning. US cash markets are finishing up the week on slightly softer tone, as hog supplies continue to grow and the pork carcass cut-out came under some pressure. US hog slaughter over the last few weeks has averaged about 4% smaller than year ago levels, but when carcass weights are factored in pork production is only marginally lower than year ago levels. This makes it difficult to explain the 20% price premium that the cash market has maintained over year ago levels by supply related factors. In fact, demand has made significant gains over the course of the last 6 months and is making a major contribution to today's hog prices. The strong US economy has consumers both willing and able to pay more for meat protein and high beef prices have provided an incentive to choose pork. However, export sales volumes are down more than 10% from year ago levels, largely due to push back from the consumers about the high prices in our overseas markets.

US Slaughter	
423,000	Thursday
434,000	Thursday (year ago)
W. Corn Belt	\$106.42
National Price	\$108.97
Daily Sig 3	\$217.48
Daily Sig 4	\$215.64
Thunder Creek	\$217.65
4-Month Fwd.	\$178.48
B of C Ex. Rate (Noon)	
\$1.1149 CAD/ \$0.8969 USD	
Cash Prices Week Ending October 10, 2014	
Signature 3	100.30/221.13
Signature 4	97.88/215.79
h@ms Cash	97.20/214.29
Hylife	97.26/214.41
Thunder Creek	100.65/221.90
ISO Weans	\$66.33 US Avg.
Feeder Pigs	\$84.94 US Avg.
#1 Export Sows (+500lbs)	\$53.00 cwt. Tagged

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 soybeans are trading lower, a reversal of the recent support from short position covering, decent exports, harvest delays and news that Brazil production could be pegged lower. The WASDE report will be released at noon (Eastern) today and should provide some further direction. Expectations for yields are between 46.9 and 48.8 bpa with an average of 47.6 bpa, up from last month's 46.6 estimate. Ending stocks are pegged at 472 million bu., that while lower than last month is over 3.6x last year's level.

Canadian delivered corn prices opened higher this morning. The general consensus is that there is a massive influx of corn expected once the US harvest is in full swing, barring any major weather event. Pre-report estimates are showing average yields at 174.7 bpa, up from September's 171.7 estimate; both well above the trend line. However, there are some reports that private firms are estimating as high as 178 bpa for this report, potentially adding 500+ million bu. to the balance sheet. After factoring in all the acreage and bpa speculation, the 2014/15 ending stocks average estimate is ~2.13 billion bu.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		178.72 183.35	178.20 184.38	171.67 177.34	171.81 178.89	173.36 176.97	177.49 180.59	181.41 188.64	186.57 192.77	184.84 190.51
Maple Leaf Sig. #4		175.66 183.04	179.85 183.63	169.34 175.73	170.87 176.73	170.87 174.67	174.67 176.87	177.77 185.97	184.17 189.17	184.78 188.18
Soymeal Winnipeg Delivered	433	405	405	407	402	402				
Corn Wpg, Delivered	153	153	153							

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