



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

# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, October 14, 2014

**Forward contract prices opened mixed this morning.** US cash markets started the week with lower bids as hog supplies continue to recover; however, the numbers remain at a 5% deficit compared to last year. Carcass weights of 212 lbs. have narrowed the gap in pork production given that last year's weights were lighter by about 5 lbs. (or 2.5%) compared to recent weights. Packers continue to benefit from good profitability with the prices of hams, bellies and pork trimmings making positive contributions last week. The USDA recently revised its projections for pork production in 2015, bumping up estimates by 2.6% over last month's projections. This may indicate that the USDA does not anticipate a spike in PEDv cases, despite the disease being far more widespread. Two new vaccines have been developed over the past year in an effort to control the disease, but their efficacy is still unproven. Lean Hog futures started this week's trade with most of the 2015 contracts making gains in spite of the changes to USDA projections.

US Slaughter	
427,000	Monday
431,000	Monday (year ago)
W. Corn Belt	\$107.30
National Price	\$108.62
Daily Sig 3	\$219.83
Daily Sig 4	\$215.50
Thunder Creek	\$219.40
4-Month Fwd.	\$177.84
<b>B of C Ex. Rate (Noon)</b>	
\$1.1177 CAD/ \$0.8947 USD	
<b>Cash Prices Week Ending October 10, 2014</b>	
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	\$69.43 US Avg.
Feeder Pigs	\$87.17 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 soybean futures are trading higher. Support comes in part from a slow harvest; today's Crop Progress report is expected to come in between 35% and 40% complete compared to the 53% 5-year average. As well there are rumors that the 'bottom' is very near, if it hasn't materialized already and although a massive crop is expected, there is talk that Chinese demand could take up a good portion of the US exports.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower after seeing some early morning support. The USDA was closed on Monday for Columbus Day; the Crop Progress report, released today, is expected to show 25-35% complete compared to the 43% 5-year average. Although the harvest is behind, pressure remains on thoughts of a very large crop supported by above trend line yield expectations, and still no news of the Chinese relaxing the ban on varieties of US corn and DDGs.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		177.85 180.42	177.33 183.52	172.15 177.84	172.42 179.39	173.97 177.59	177.98 181.08	182.57 189.79	187.73 193.92	185.56 191.23
Maple Leaf Sig. #4		174.82 180.41	179.01 182.80	169.81 176.21	171.47 177.21	171.47 175.27	175.15 177.35	178.89 187.09	185.29 190.29	185.48 188.88
Soymeal Winnipeg Delivered	462	421	421	418	413	413	413			
Corn Wpg, Delivered	153	153	153							

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