



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Tuesday, October 21, 2014

Forward contract prices opened lower this morning. US cash markets started the week lower as packers attempted to protect their profitable operating margins by dropping cash bids by close to \$1.00/cwt across all reporting regions. The pork cut-out tumbled nearly \$5.00/cwt after the bottom fell out of the primal ham market, losing close to 15% from the previous day. Over the past week, buyers have all but pulled their bids completely for the ham primal, as reflected by the 25% drop in prices. High price volatility has been the only constant over the last 3 months, with supply uncertainty being the biggest contributor to the wild market behavior. Lean Hog futures are starting to see greater independence from the cash market fundamentals recently, as most of the 2015 contracts are still trading at record large discount from the cash market. Currently, forward prices are factoring in little to no impact from PEDv losses into the spring timeframe, but we will have to wait for another two months before market animals destined for this timeframe are even born.

US Slaughter	
429,000	Monday
432,000	Monday (year ago)
W. Corn Belt	\$97.27
National Price	\$104.87
Daily Sig 3	\$201.06
Daily Sig 4	\$209.91
Thunder Creek	\$200.74
4-Month Fwd.	\$168.33

B of C Ex. Rate (Noon)
\$1.1277 CAD/ \$.8867 USD

Cash Prices Week Ending October 17, 2014	
Signature 3	214.64/97.36
Signature 4	215.75/97.88
h@ms Cash	214.28/97.20
Hylife	212.78/96.52
Thunder Creek	220.70/100.11
ISO Weans	\$69.10 US Avg.
Feeder Pigs	\$87.92 US Avg.
#1 Export Sows (+500lbs)	\$63.50 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. Yesterday's afternoon trade saw support following the Crop Progress report that showed harvest at 53% complete compared to the 5-year average of 66%. A general market expectation was for 55%. Further support comes from improved export numbers indicating 1.99 MMT shipped to bring the YTD total to 5.94 MMT versus 4.80 MMT last year. US production estimates as well as rain and improving planting conditions in Brazil are keeping the upside in check.

Canadian delivered corn prices opened even this morning. Some bullish news from the USDA inched the December contract toward \$3.50 USD/bu. following the Crop Progress report Monday that showed the corn harvest at 31% complete compared to a 53% 5-year average and market expectations around 35%. Hedge fund positioning has also contributed to recent support amid a corn trade that has been under pressure on optimistic production estimates. Harvest is expected to pick up this week during a current window of cooperative weather.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		168.47	167.96 174.14	162.49 168.16	163.87 169.71	165.42 169.03	169.91 173.01	174.36 181.59	179.53 185.73	180.31 186.04	174.26 177.39
Maple Leaf Sig. #4		166.34	170.53 174.32	161.04 167.44	163.78 168.44	163.78 167.58	167.94 170.14	171.54 179.76	177.95 182.96	180.06 184.50	175.21 176.22
Soymeal Winnipeg Delivered	439	439	439	431	422	422	422				
Corn Wpg, Delivered	153	153	153								

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.



NEED SOMETHING BAGGED?
Call us about your CUSTOM BAGGING
and WAREHOUSING needs

