



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 24, 2014

Forward contract prices opened mixed this morning. US

cash markets traded lower again yesterday, with the latest daily drop coming in more than \$1.00/cwt lower for all of the reporting regions. Collapsing pork product values combined with growing hog numbers led packers to pull back on their cash bids in an effort to retain their healthy operating margins. The futures market had largely preceded this drop and has experienced some support in the last few days. Many analysts and traders believe that Lean Hog futures are oversold, with the December, February, April and June all trading at a record discount to the cash market index. However, these contracts are starting today's trade sharply lower, with most trading at or near their lowest price in two months. The market has seen no influence from the latest PEDv Update from the American Association of Swine Veterinarians, which showed a 20% increase in the number of PEDv cases from the first to the second week of October. Deaths related to this timeframe would show up in tighter slaughter numbers in late March 2015. The coming month is a critical timeframe for the disease as weather cools (increasing the lifespan of the virus) and lagoon clean out activity spikes (increasing the chance of spreading) before the cold winter months.

US Slaughter	
429,000	Thursday
428,000	Thursday (year ago)
W. Corn Belt	\$90.81
National Price	\$100.40
Daily Sig 3	\$187.05
Daily Sig 4	\$200.26
Thunder Creek	\$187.18
4-Month Fwd.	\$169.93
B of C Ex. Rate (Noon)	
\$1.1237 CAD/ \$.8899 USD	
Cash Prices Week Ending October 24, 2014	
Signature 3	195.16/88.52
Signature 4	206.52/93.68
h@ms Cash	205.02/93.00
Hylife	n/a
Thunder Creek	211.00/95.71
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.

More than double the expected volume in export sales coupled with the current supply tightness and some technical indicators are factors sustaining support. Export sales registered at a surprising 2.166 MMT, 2x market expectations (80% to China). Cumulative sales stand at 70.8% compared to the 60.7% 5-year average. Supply side constraints due to harvest delays and a strong demand side have influenced interior processors to strengthen basis. Support is expected until there is some tangible evidence the new crop is making it into the pipelines.

Canadian delivered corn prices opened even this morning.

The early morning trade was higher but the market has since turned mixed to lower as of this writing, a function of some uncertainty in the corn trade. Wet weather is delaying harvest in the US, restricting supplies, while dry weather has delayed planting in Brazil, followed up with talk that some acreage might need to be re-planted if not outright switched. Corn is also receiving some residual support from strength in soybeans. The export pace has come in at 12.8% compared to the 13.4% 5-year average.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		168.52	168.00 174.18	164.85 170.53	165.88 172.08	167.43 171.04	172.10 175.21	175.38 182.63	180.56 186.77	180.24 185.95	174.88 178.00
Maple Leaf Sig. #4		166.38	170.57 174.36	163.33 169.73	165.73 170.73	165.73 169.53	170.07 172.28	172.56 180.76	178.96 183.97	179.97 184.39	175.78 176.79
Soymeal Winnipeg Delivered	463	463	464	464	464	464	464				
Corn Wpg, Delivered	157	157	157								

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