



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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Tuesday, October 28, 2014

Forward contract prices opened lower this morning. US cash markets started this week lower from last week's trade with packers still largely focused on protecting profitable operating margins. All regions reported prices under US\$90/cwt, the lowest level experienced since February, when the first PEDv induced shortage was seen. Wholesale pork prices were higher yesterday as the cut-out gained approximately \$2.00/cwt recovering to the benchmark \$100/cwt. Ham values were the largest contributor to the gains, but with less than a month before US Thanksgiving, support is unlikely beyond another 2 weeks. The USDA released the latest Cold Storage report yesterday, which showed total pork inventory down 4% from year ago levels. Supplies of pork bellies are 43% higher than year ago levels, which helps to explain their relatively low price and contribution to the pork cut-out. Lean Hog futures are still decisively in a lower trend, but cash market support could lead to a bounce in the nearby contracts due to their discount from the cash market. Deferred month contracts are expected to continue their choppy trend, with traders watching for a cool weather spike in PEDv.

US Slaughter	
432,000	Monday
431,000	Monday (year ago)
W. Corn Belt	\$88.35
National Price	\$97.10
Daily Sig 3	\$182.14
Daily Sig 4	\$193.85
Thunder Creek	\$181.94
4-Month Fwd.	\$171.67

B of C Ex. Rate (Noon)
\$1.1247 CAD/ \$.8891 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	201.83/91.55
Thunder Creek	211.00/95.71

ISO Weans \$67.65 US Avg.
Feeder Pigs \$81.75 US Avg.
#1 Export Sows (+500lbs)
\$64.00 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. Domestically, some quality issues mean interior crushers need relatively more beans to produce oil and the situation is exacerbated by bottlenecks in the rail system; truck bids have jumped \$20 per ton on top of the rally. Internationally, Malaysia has raised the blend of palm oil in biodiesel from 5 to 7%, taking oil out of the market as processors using palm switch to soy. US farmers brought in 17% of the crop last week; harvest came in at 70%, in line with market expectations but below the 79% average.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher on strength from the soybean complex and on news that the funds have resumed a buying spree in agricultural commodities generally. But despite the recent strength, analysts note the fundamentals are generally bearish. Weekly harvest came in at 46%, slightly above expectations but new crop is only 'trickling' in. Exports remain weak, are below the 5-year average, and there is no end in sight to the Chinese ban on certain varieties.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		169.96	169.44 175.60	167.03 172.68	167.17 174.22	168.72 172.31	171.39 174.44	174.61 181.74	179.70 185.82	181.71 187.42	176.31 179.43
Maple Leaf Sig. #4		167.76	171.93 175.70	165.43 171.80	166.96 172.79	166.96 170.74	169.32 171.49	171.75 179.84	178.06 183.00	181.39 185.82	177.17 178.18
Soymeal Winnipeg Delivered	510	510	510	511	511	511	511				
Corn Wpg, Delivered	157	157	157								

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.



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