



Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, October 29, 2014

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

Forward contract prices opened mixed this morning. US cash markets continue to show weakness evidenced by lower bids across most reporting regions from previous day. The WCB and ISM regions were just under \$1 USD/cwt. lower while the National reporting region dropped \$2.11. Daily slaughter was higher than year ago for the first time in recent memory on Tuesday. All primal cut values were lower from previous day; only ribs posted gains. The CME lean hog index was also down \$1.95 to \$98.40USD/cwt. Lean hog futures, however, are showing relative strength attributed in part to a larger than normal discount to cash markets. As well, while the PEDv debate has somewhat subsided for the moment, the disease remains very much a wild card especially as approximately 40% of the unaffected US herd heads into the cooler weather, a time when the disease typically spreads more easily. In any event, forward contract prices this morning are currently showing relative value out until the first half of Q1 2015.

US Slaughter	
432,000	Tuesday
432,000	Tuesday (year ago)
W. Corn Belt	\$87.45
National Price	\$94.99
Daily Sig 3	\$179.18
Daily Sig 4	\$188.47
Thunder Creek	\$179.39
4-Month Fwd.	\$169.93
B of C Ex. Rate (Noon)	
\$1.1178 CAD/ \$0.8946 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. 'Surprising' and 'counter-seasonal' are being used to describe the current meal trade. US customers that have been 'double buying' to secure supply, lack of rail cars to get product to market, and a slow harvest are all factors. Demand for beans, both foreign and domestic, is also squeezing stocks at a time of year that is generally being replenished with new crop. h@ms Marketing has been asked to remind potential meal customers to book loads by the Thursday before the week meal is needed due to extra competition for trucks at this time.

Canadian delivered corn prices opened higher this morning. US corn futures are trading higher mostly on influence from the soymeal market. There are reports European feed wheat is entering the US and competing with US corn. The recent rally of just over 12%, pushing corn to the highest level since late August may actually exacerbate the feed wheat 'problem' and at the same time make S. American variants more attractive on the world market. However, some have been noting that the recent rally does help with return-on-acreage and perhaps planting for next year.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		167.86	167.35 173.48	165.18 170.82	166.15 172.35	167.68 171.27	173.04 176.13	177.84 185.06	183.00 189.19	181.95 187.63	176.43 179.53
Maple Leaf Sig. #4		165.72	169.87 173.63	163.63 169.98	165.95 170.97	165.95 169.72	170.96 173.16	174.92 183.11	181.31 186.30	181.60 186.00	177.25 178.25
Soymeal Winnipeg Delivered	510	510	510	511	511	511	511				
Corn Wpg, Delivered	163	163									

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<p>Improve Piglet Digestive Health from Day One</p> <p>"It's easy to use and very cost effective"</p>		<p>Contact Andy</p> <p>Cell: 204-868-0419</p> <p>Toll Free: 844-834-2702 ext. 235</p>
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