

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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Thursday, October 30, 2014

Forward contract prices opened mixed this morning. US cash markets continued their lower trend, averaging close to a \$1.00/cwt loss every day for the last 10 days. Packers are dropping bids in line with the weaker trend in the pork cut-out as they protect their profitable operating margins. However, yesterday's pork cut-out gained close to \$2.00, after belly and loin values increased about 5% of their value. Lean Hog futures are finding support, given the already large discount that the nearby contracts are trading to the cash market. In addition to the bearish cash market influence, hedge funds have been exiting their long positions, contributing to the decline. Later this afternoon, the latest update on PEDv will be released, which could result in a significant move in summer forward contract values. The swine health monitoring project from the University of Minnesota reported that the spread of PEDv is still below 'epidemic' levels, based on data for the week of October 11, 2014.

h@ms 2014 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
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. A number of factors both domestic and international (lack of farmer selling following Brazil election, palm oil supply issues) have been attributed to strength in the complex although logistics appears to have been playing a significant role for meal. It is taking ~5-6 weeks to get meal from farmer to buyer (10 days to move through the Chicago hub alone) and there is talk that much meal is currently 'double bought' meaning purchasers order via rail and truck hoping one will make through, events that have been influencing local basis and freight rates.

Canadian delivered corn prices opened even this morning. US corn futures are trading in a mixed and choppy pattern at opening. Strength in the soymeal market, decent demand from the ethanol industry and bullish technical indicators are supportive. However, decent harvest progress (now) and thoughts that the recent highs could put US corn at a competitive disadvantage to other corns and grains are seen as factors that could influence pressure and keep the upside in check.

US Slaughter	
431,000	Wednesday
430,000	Wednesday (year ago)
W. Corn Belt	\$86.27
National Price	\$93.69
Daily Sig 3	\$176.10
Daily Sig 4	\$185.19
Thunder Creek	\$175.83
4-Month Fwd.	\$170.09
B of C Ex. Rate (Noon) \$1.1136 CAD/ \$0.8979 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

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		166.70	166.18 172.34	165.70 171.35	167.18 172.89	168.72 172.32	173.55 176.65	178.61 185.83	183.76 189.95	180.90 186.56	174.05 177.14
Maple Leaf Sig. #4		164.60	168.77 172.55	164.14 170.51	166.97 171.50	166.97 170.75	171.46 173.66	175.65 183.85	182.05 187.04	180.56 184.94	174.92 175.92
Soymeal Winnipeg Delivered	524	524	518	510	510	510	510				
Corn Wpg, Delivered	163	163									

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