



# Hog Margin Outlook

Meeting Your Marketing Needs

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Tuesday, November 04, 2014

Hog Prices: ↑ Soymeal: ↓

Corn: ↔ CDN Dollar: ↓

**Forward contract prices opened higher this morning.** US packers continue to benefit from strong operating margins, resulting in some plants adding hours to their schedules in order to build inventory. Cash bids have declined on a daily basis for nearly a month effectively reducing the current cost of production, but processors and wholesalers still need to clear the high priced inventory currently in stock. When factoring in current carcass weights, pork production for last week was down only about 1% from year ago levels. Over the next 6 months, this deficit is expected to turn into a surplus from year ago levels, as PEDv losses are anticipated to fall and newly built barns are expected to come into production. Lean Hog futures have had these supply fundamentals factored in for some time, and have found support at the current, discounted levels. However, significant price uncertainty remains given the disruptions that the market has experienced largely due to PEDv losses over the last year. The Canadian Dollar hit a 5 year low this morning reflecting weak gold and oil prices and a relatively slow growing economy, resulting in a positive contribution to both Canadian cash and forward prices.

US Slaughter	
432,000	Monday
433,000	Monday (year ago)
W. Corn Belt	\$85.34
National Price	\$89.58
Daily Sig 3	\$177.08
Daily Sig 4	\$179.99
Thunder Creek	\$178.90
4-Month Fwd.	\$175.07
<b>B of C Ex. Rate (Noon)</b>	
\$1.1320 CAD/ \$0.8833 USD	
<b>Cash Prices Week Ending October 31, 2014</b>	
Signature 3	179.63/81.48
Signature 4	189.30/85.87
h@ms Cash	187.80/85.19
Hylife	184.46/83.67
Thunder Creek	191.40/86.82
ISO Weans	\$67.34 US Avg.
Feeder Pigs	\$83.04 US Avg.
#1 Export Sows (+500lbs)	\$68.50 cwt. Tagged

h@ms 2014 Fall Marketing Meeting Schedule		
Meeting	Date and Time	Location
Headingley	TODAY! 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 lower this morning.** h@ms soymeal customers are reminded that loads must be ordered by Thursday of the previous week due to the current competition for trucking resources. h@ms has been advised same-week delivery is an unlikely option currently. The US soymeal complex continues its downward trend as national harvest shows 83% complete, effectively 'caught up' and in line with the 5-year average. Minnesota, at 98% has harvest essentially all but completely wrapped up. However, unfilled supply pipelines and logistics challenges are supportive.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower, following the relative weakness in beans. Yesterday's Crop Progress report showed the harvest at 65% complete, 19% higher than last week, but lower than the 73% 5-year average. This was to be expected on thoughts that farmers would spend more time on the more cold-sensitive soybean crop. Pre WASDE estimates are starting to come in ahead of next week's report with many expecting increases in yields (if any) to be less dramatic compared to earlier estimates.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		170.58 176.86	170.39 176.16	171.69 177.73	173.26 176.93	177.80 180.96	183.27 190.63	188.53 194.83	187.12 192.92	177.18 184.55
Maple Leaf Sig. #4		173.19 177.05	168.75 175.26	171.44 176.27	171.44 175.30	175.64 177.88	180.22 188.57	186.74 191.83	186.71 191.20	178.31 183.20
Soymeal Winnipeg Delivered	509	503	495	495	495	495				
Corn Wpg, Delivered	163									

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.

WINNIPEG LIVESTOCK  
HWY #6 AND RD 236

CALL CRYSTAL FOR MORE INFO 204-235-2225

**LIGHT HOG PROGRAM!**

ACCEPTING:  
SOWS  
BOARS  
LIGHTS  
MARKET HOGS