



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

Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, November 06, 2014

Forward contract prices opened lower this morning. US cash markets traded steady yesterday, with packers finding added supplies for the weekend slaughter, yet willing to maintain their bids as operating margins are profitable. US cash hog prices are trading at their lowest level since early February and only marginally higher than prices experienced at this time last year. However, Canadian hog prices are still trading close to \$20/kg higher than year ago levels with the weak Canadian Dollar responsible for those gains. The latest US pork export data was released earlier this week showing the volume of trade in September was down 11%. However, prices were sufficiently higher that the value of export sales grew by approximately 3%. The drop in export volumes can largely be attributed to China which took only about 2000 metric tonnes (MT) of pork in September, as compared to nearly 17,000 MT in the same month last year. Most analysts expect these numbers to improve significantly over the next 6 months, as China's domestic pork product has been cut significantly.

US Slaughter	
428,000	Wednesday
433,000	Wednesday (year ago)
W. Corn Belt	\$85.65
National Price	\$88.31
Daily Sig 3	\$178.61
Daily Sig 4	\$178.34
Thunder Creek	\$178.34
4-Month Fwd.	\$172.79
B of C Ex. Rate (Noon)	
\$1.1377 CAD/ \$0.8789 USD	
Cash Prices Week Ending October 31, 2014	
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
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. h@ms soymeal customers are reminded orders required for next week need to be placed by today (Thursday). US soybean futures are trading higher ahead of the USDA's export sales report (released at 8:30 AM, Eastern) which is widely expected to show strong sales, especially to China. The range of estimates is lower than last week's 1.3 MMT but still comes in at an impressive 900,000-1.1MMT. There is talk that Brazil production estimates will be lowered due to late plantings, but still be relatively large. US logistics also remain supportive.

Canadian delivered corn prices opened even this morning. This morning's Export Sales report is not expected to have as great of a price impact on corn as soybeans due to the relatively meagre exports (albeit steady) to date and the fact that large crop production estimates still offset the 'bullish' price influences for corn, at least in the US as harvest catches up. But, while corn is priced relatively low domestically, other producer countries are currently at a competitive advantage price-wise.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		168.48 174.77	167.33 173.11	170.06 174.69	171.64 175.32	175.99 179.14	181.29 188.66	186.55 192.87	186.39 192.18	175.86 183.23
Maple Leaf Sig. #4		171.99 175.85	166.41 172.93	170.28 173.95	170.28 174.15	173.88 176.13	178.31 186.67	184.83 189.93	186.00 190.48	177.02 181.92
Soymeal Winnipeg Delivered	524	524	514	499	493					
Corn Wpg, Delivered	163									

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WINNIPEG LIVESTOCK
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