



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Monday, December 01, 2014

Forward contract prices opened mixed this morning. US cash markets are expected to start the week steady, with packers cautious of chasing live supplies with higher bids. Last week's slaughter was estimated at just under 2 million hogs as the US Thanksgiving Holiday on Thursday was only partially offset by the large Saturday kill of 284,000 hogs. Pork packers are generally optimistic about the near term fundamentals, with strong consumer demand expected for the next few months, in large part due to the benefit of lower energy prices providing more disposable income for consumers. Supply factors remain uncertain with hog supplies expected to grow at a faster than average pace due to diminished death loss from PED in the summer months. Longer term, growth in the breeding herd over the last year that has been hidden by the effects of PEDv could prove a challenge to following a 'normal' seasonal trend in 2015. Producers should consider taking some broad protection at current prices for the spring and summer months to bring confidence to their profitable projected operating margins.

Canadian delivered soymeal prices opened lower this morning. News that the USDA will raise Argentine production by 3.0 MMT is pressuring the complex despite talk that farmers in the S. American country have been using lower quality seed, potentially affecting yield. Soymeal is seeing some additional pressure as recent technical signals suggest more pressure for meal heading into Christmas. It will remain to be seen if logistics issues, (and subsequently truck basis) ease up, but with the low price of crude, there is talk of less demand for rail resources as transport demand from Midwest oil producers subsides.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. Pressure on commodity prices in general is exerting some pressure on the US corn trade, but corn is also affected by the drop in the price of crude. There is some evidence that demand for ethanol backs off domestically as the price of crude drops; there is some expectation that ethanol demand will not be as strong in the short to medium term. Improving soil moisture in many critical growing areas of Brazil is also pressuring the trade.

US Slaughter	
1.991 mil.	Last Week
2.056 mil.	Last Week (year ago)
W. Corn Belt	\$85.93
National Price	\$87.89
Daily Sig 3	\$179.99
Daily Sig 4	\$178.26
Thunder Creek	\$179.73
4-Month Fwd.	\$173.70
B of C Ex. Rate (Noon)	
\$1.1427 CAD/ \$0.8751 USD	
Cash Prices Week Ending November 29, 2014	
Signature 3	178.81/81.11
Signature 4	176.07/79.86
h@ms Cash	174.57/79.18
Hylife	174.65/79.22
Thunder Creek	179.30/81.33
ISO Weans	\$72.27 US Avg.
Feeder Pigs	\$86.57 US Avg.
#1 Export Sows (+500lbs)	\$66.00 cwt. Tagged

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		165.35 171.09	171.57 172.66	173.14 176.80	177.91 181.05	186.50 193.83	191.74 198.02	191.89 197.69	182.40 189.79	163.26 171.69
Maple Leaf Sig. #4		162.85 169.32	170.09 170.33	170.09 173.93	174.31 176.54	181.92 190.24	188.41 193.48	189.91 194.40	181.68 186.84	164.73 178.00
Soymeal Winnipeg Delivered	528	493	476	476						
Corn Wpg, Delivered	166									

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.

<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>
<p>For more information: Click, Tap, or Follow this link www.mspResistantStarch.com</p>		