



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Wednesday, December 24, 2014

Forward contract prices opened mixed this morning.

The staff at h@ms Marketing Services wish our Producers and Industry Partners a Merry Christmas, Season's Greetings and all the best to you and yours!

US cash markets are called to trade steady today, with some packers cutting hours ahead of tomorrow's statutory holiday. After hitting the lowest cash price of 2014 on Monday, most packers were bidding the market higher to secure supplies for their Friday and Saturday slaughter. The focus of most industry participants was on the results of the Hogs and Pigs report released yesterday afternoon. The report was fairly close to what the industry had anticipated, but the differences across almost every category had the report showing a larger inventory than the average estimate. Noteworthy of the report was the increase in the breeding herd of 3.5% over year ago levels, which when combined with a larger 'Pigs saved per litter' number could result in Fall 2015 hog slaughter being 7% larger than 2014 or 3% larger than 2013. While the market probably anticipated some of these results, projected supply increases of this magnitude could result in further pressure to the deferred month contracts. Producers should view current prices as 'fair value' and consider hedging up to 20% of their 2015 production to eliminate some of the uncertainty in market prices.

Summary of December Hogs and Pigs Report			
	Avg est	Range	Actual
All Hogs and Pigs	101.5%	100.8%-102.5%	101.9%
Kept for Breeding	103.0%	102.0%-103.5%	103.6%
Kept for Marketing	101.3%	100.6%-102.4%	101.8%
< 50 lbs.	103.7%	102.5%-105.8%	103.4%
50-119 lbs.	102.7%	101.2%-104.4%	103.4%
120-179 lbs.	99.4%	97.8%-101.0%	100.4%
> 180 lbs.	97.5%	94.4%-99.6%	98.4%
Pig Crop	103.3%	102.4%-104.4%	103.9%

Source: Meyer and Steiner, DLR; Umer Barry, USDA

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading lower heading into the reduced-hour holiday sessions following a choppy trade yesterday. There is some talk of profit taking ahead of the holiday. Expectations that Chinese demand could rise by ~7% and lowering palm oil production is supportive. Good (and improving) S. American weather and a high USD is pressuring. The US markets are closed one hour early today and closed all day December 25.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower heading into the holiday despite a recent bout of supportive news. Chinese officials have lifted the US ban, there are expectations of increased feed usage, and decent domestic demand has been supportive. Pressure comes from Chinese approval of an Argentine GMO variety, and competition in world markets; Ukraine has exceeded last year's exports. h@ms Marketing will be closed December 25, 26 and will resume normal business hours on Monday, December 29.

Headingley Main Office	h@ms Holiday Schedule	Winnipeg Livestock (WLS)
8:00AM – 3:00 PM	Dec. 24 (Wed.)	8:30AM – 12 noon
Closed	Dec. 25 & 26 (Thurs. & Fri.)	Closed

US Slaughter	
431,000	Tuesday
185,000	Tuesday (year ago)
W. Corn Belt	\$75.22
National Price	\$81.09
Daily Sig 3	\$160.31
Daily Sig 4	\$167.35
Thunder Creek	\$160.38
4-Month Fwd.	\$169.02
B of C Ex. Rate (Noon)	
\$1.1627 CAD/ \$0.8600 USD	
Cash Prices Week Ending December 20, 2014	
Signature 3	168.31/76.34
Signature 4	177.02/80.30
h@ms Cash	175.52/79.62
Hylife	173.77/78.82
Thunder Creek	175.40/79.56
ISO Weans	\$76.11 US Avg.
Feeder Pigs	\$88.00 US Avg.
#1 Export Sows (+500lbs)	n/a this week (Tagged)

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #3		163.07	161.94	163.54	168.15	176.82	182.18	181.85	171.08	153.92	152.40
		163.07	164.68	164.68	171.36	184.32	188.60	187.75	182.71	162.50	156.16
Maple Leaf Sig. #4		159.16	160.85	160.85	164.90	172.58	179.21	180.26	173.05	153.93	152.99
		161.64	162.67	164.78	167.19	181.08	184.40	184.83	180.05	169.31	155.48
Soymeal Winnipeg Delivered	557	546	502	502	490	490					
Corn Wpg, Delivered	189										

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.

Improve Piglet Digestive Health from Day One
"It's easy to use and very cost effective"



Contact Andy
Cell: 204-868-0419
Toll Free: 844-834-2702 ext. 235

For more information: Click, Tap, or Follow this link www.mspResistantStarch.com