

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, February 13, 2015

Forward contract prices opened higher this morning. US cash markets are finishing the week lower, down approximately 7% and at the lowest level experienced in more than 5 years. Daily hog supply has been abundant for packers, allowing them to cut their cash bids and still operate with a full production schedule with this week's slaughter on pace for a 5.5% increase over last year. Lean Hog futures found support in yesterday's trade with the oversold technical condition and the discount of futures to cash providing the rationale. With pork values down 30% from just a few months ago, export markets may come back to life after slower sales, but the strong US Dollar dampens this effect. The Canadian Dollar has recovered approximately 2 cents from its recent lows, in large part due to a recovery in oil prices to \$51/barrel. **Please note that the Risk Management Department will be closed Monday, February 16 for Louis Riel/Family Day, and will reopen at the normal hours on Tuesday.**

Canadian delivered soymeal prices opened higher this morning. Near term soybean prices are expected to be pressured lower as good South American weather combined with estimates for a record crop will weigh on US futures values. However, firm demand from increased livestock numbers may prevent big losses in domestic soymeal prices.

Canadian delivered corn prices opened even this morning. US corn futures were relatively steady this week as conflicting factors have left the market in a stable trend. Gains in corn acreage estimates that would lead to significant weakness is unlikely given that losses are anticipated throughout a large portion of the Corn Belt.

US Slaughter	
433,000	Thursday
376,000	Thursday (year ago)
W. Corn Belt	\$57.32
National Price	\$65.11
Daily Sig 3	\$130.94
Daily Sig 4	\$144.02
Thunder Creek	\$131.42
4-Month Fwd.	\$ 157.75
B of C Ex. Rate (Noon)	
\$1.2462 CAD/ \$0.8024 USD	
Cash Prices Week Ending February 14, 2015	
Signature 3	135.73 / 61.57
Signature 4	148.33 / 67.28
h@ms Cash	146.83 / 66.60
Hylife	146.18 / 66.31
Thunder Creek	145.00/ 65.77
ISO Weans	\$48.67 US Avg.
Feeder Pigs	\$72.74 US Avg.
#1 Export Sows (+500lbs)	\$33.00/cwt. (Tagged)

Fixed Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Maple Leaf Sig. #3		135.55 137.26	137.87 141.29	162.05 172.32	170.04 176.88	173.85 180.15	169.26 177.28	156.47 165.64	144.66 159.90	136.00 141.77
Maple Leaf Sig. #4		135.68 139.88	139.69 142.12	160.57 171.84	169.85 175.37	174.56 179.45	173.23 178.27	157.84 174.27	151.71 160.54	140.76 148.58
Soymeal Winnipeg Delivered	499	499	493	493	487	489	488	493		
Corn Wpg, Delivered	191									

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