



Hog Margin Outlook

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Friday, April 04, 2014

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

US Slaughter	
409,000	Thursday
427,000	Thursday (year ago)
W. Corn Belt	\$127.80
National Price	\$127.70
Daily Sig 3	\$258.50
Daily Sig 4	\$250.12
Thunder Creek	\$258.81
4-Month Fwd.	\$225.10
B of C Ex. Rate (Noon)	
\$1.1035 CAD/ \$0.9062 USD	
Cash Prices Week Ending April 04, 2014	
Signature 3	117.68/259.44
Signature 4	113.31/249.81
h@ms Cash	112.63/248.31
Hylife	Unavailable
Thunder Creek	118.25/260.70
ISO Weans	\$88.73 US Avg.
Feeder Pigs	\$127.69 US Avg.
#1 Export Sows (+500lbs)	\$86.00

Forward contract prices opened lower this morning. US cash markets are finishing the week near steady where they started, but have lost some support from the pork cut-out. Wholesale pork prices dropped nearly \$4.00/cwt in yesterday's trade, taking the aggregate value of all the primal cuts back to levels not seen in three weeks. The market hysteria experienced over the last month is diminishing, in part due to some traders being reassured of a more modest reduction in hog supplies after last week's Hogs and Pigs report. Lean Hog futures appear to have resumed the role of anticipating price movements as opposed to reacting to them, as reflected by the summer month contracts trading close to \$10/cwt lower than the contract highs put in last week. Currently, the futures trade believes the cash market will make a counter-seasonal move lower as the June contract is now trading at an \$8.00/cwt discount to the current cash market. Typically, the June trades at a \$13.00 premium to the current cash market, representing a \$21.00/cwt divergence from normal seasonality.

Canadian delivered soybean prices opened lower this morning. Gains in the soybean complex have been slowing over the last few days, but the trend remains bullish as export demand has exceeded most traders' expectations. Recently, sales of soybean meal in the export market have been very strong, experiencing nearly a doubling in volume over the previous week. However, traders will shift their focus to new crop planting progress over the next few weeks.

Canadian delivered corn prices opened even this morning. Corn futures are starting the day slightly lower, with both new crop and old crop contracts trading in the vicinity of \$5.00/cwt. Weather in the Mid-west is becoming the predominant factor in the market, as the corn market will be more sensitive to growing conditions given that acreage expectations are significantly tighter this year. Current projections have corn planting intentions near 91 million acres, while at this time last year the expected corn acreage was close to 9% larger.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		229.52 237.58	234.05 239.59	228.35 235.94	214.51 229.41	197.83 206.42	194.55 201.13	164.38 172.48	169.95 172.48
Maple Leaf Sig. #4		220.30 229.87	225.77 231.82	220.94 228.57	212.71 222.74	193.14 207.43	192.41 195.55	163.79 174.57	168.89 172.51
Soymeal Winnipeg Delivered	624	624	624	625	625	625			
Corn Winnipeg Delivered	191	195	195						

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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