



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

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Wednesday, March 18, 2015

Forward contract prices opened lower this morning. US cash markets moved slightly lower yesterday as packers have little incentive to add money to their cash bids. Hog numbers have been running about 8% higher than year ago levels over the last two months, which far exceeds most analysts' expectations. Lean Hog futures have seen the primary influence from the cash market as traders are looking for insight into the long term trend in production. However, next week's release of the Cold Storage report (Monday) and the Hogs and Pigs report (Friday) will over shadow the cash market trend as there is significant uncertainty relating to the summer and fall production. Traders are trying to quantify what effect the expansion of the breeding herd and lingering PEDv cases will have on production. Adding to the uncertainty are demand related issues of slower export sales of pork and added restrictions on chicken exports due to Avian Flu. Producers should look to cover some of their summer and fall production at current prices as the forwards are running at an average premium to the cash market, in spite of the bearish factors at play.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading higher. The market has found some ground after trading 4 straight sessions of losses that started last week. Large S. American production expectations and a high USD, as well as a seasonal shift to the south, are pressuring US beans. However, some signs of weakness in the USD have ushered in some near term support that will likely not be sustained. Reports of heavy rain in the southern US bodes well for soil moisture in those affected states ahead of the planting season so long as farmers can get on the fields to seed.

Canadian delivered corn prices opened even this morning. US corn futures are trading mixed. Pressure comes from reports yesterday that China bought 600,000 MT of corn from the Ukraine, supporting the argument that the price of US corn relative to global competitors is currently too high. While heavy rain in the southern US is replenishing soil moisture, there is already talk that too much rain could influence a switch to other crops such as soybeans, adding support.

US Slaughter	
436,000	Tuesday
416,000	Tuesday (year ago)
W. Corn Belt	\$59.27
National Price	\$65.96
Daily Sig 3	\$138.72
Daily Sig 4	\$149.49
Thunder Creek	\$138.62
4-Month Fwd.	\$ 164.86
B of C Ex. Rate (Noon)	
\$1.2769 CAD/ \$0.7831 USD	
Cash Prices Week Ending March 14, 2015	
Signature 3	145.38/65.94
Signature 4	152.93/69.37
h@ms Cash	143.88/65.26
Hylife	150.84/68.42
Thunder Creek	149.10/67.63
ISO Weans	\$42.64 US Avg.
Feeder Pigs	\$70.68 US Avg.
#1 Export Sows (+500lbs) \$32.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #3		134.23 137.75	151.30 166.57	166.57 173.61	169.99 176.45	164.94 173.68	150.84 157.89	138.29 153.21	129.48 135.35	134.77 138.88	134.77
Maple Leaf Sig. #4		137.94 139.53	151.41 167.10	167.10 172.78	171.44 176.45	170.08 173.42	153.24 167.80	146.20 154.85	135.28 143.02	139.38 143.02	139.38
Soymeal Winnipeg Delivered	493	489	489	487	487	486	486	479	478	478	
Corn Wpg, Delivered	203										

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.

2015 District Meetings	Location	Date and Time
Heartland Marketing	Starbuck C.C. - 25 Main Street, Starbuck, MB	Thurs. March 19, 2:00PM
Manitoba East	Smitty's - Clear Spring Centre, Steinbach, MB	Fri. March 20, 12:00 noon