



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

# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, March 19, 2015

**Forward contract prices opened lower this morning. US cash markets dropped nearly \$1.00/cwt in most USDA reporting regions yesterday, even as packers expanded their daily slaughter to an estimated 436,000 hogs over the last few days. Pork production is outpacing expectations, which is resulting in consistent bearish pressure on the Lean Hog futures. With the last two months averaging +8% more pork, burdensome supply is the biggest factor pressuring hog prices at a time when they would typically start to see strength. However, demand related factors are also contributing to the weakness with export sales being the primary concern. In January, pork exports were down 20% from year ago levels, which places a greater burden on the domestic marketplace to consume 5% more pork that would have otherwise been exported. Lean Hog futures are reflecting these tough market fundamentals, with all of the 2015 contracts trading more than \$1.00/cwt lower than yesterday's close. Producers should look to cover a portion of their summer and fall price risk ahead of next week's USDA released Cold Storage and Hogs and Pigs report.**

**Canadian delivered soymeal prices opened lower this morning. US dollar declines over the past two sessions have been supportive to the bean market as there are thoughts US beans become more affordable for export. However, the record harvests in S. America, and thoughts those volumes will be making its way to market very soon are pressuring. As well, there are rumors that the Argentine old crop is finally making its way to market as the new crop harvest starts to roll in. There are also thoughts that if avian flu continues to spread in the US, feed demand could be curbed enough to have a pressuring effect on the trade.**

**Canadian delivered corn prices opened lower this morning. US corn futures are trading lower after showing some strength in the overnight trade. The US corn trade continues to 'await' fresh news for direction and many analysts and traders think the Planting Intentions report at the end of the month will do just that. In the meantime, the market remains sensitive to any news, trading lower this morning following a report showing that Mexican imports were 'somewhat bearish'.**

US Slaughter	
436,000	Wednesday
413,000	Wednesday (year ago)
W. Corn Belt	\$58.56
National Price	\$65.46
Daily Sig 3	\$137.08
Daily Sig 4	\$148.40
Thunder Creek	\$136.85
4-Month Fwd.	\$ 164.86
<b>B of C Ex. Rate (Noon)</b>	
\$1.2771 CAD/ \$0.7830 USD	
<b>Cash Prices Week Ending March 14, 2015</b>	
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		127.85 131.36	164.70 161.88	161.88 168.88	165.67 172.11	160.36 169.02	146.33 153.35	133.30 147.97	124.57 130.39	129.81 133.88	129.81
Maple Leaf Sig. #4		131.72 133.31	146.92 162.52	162.52 168.18	167.23 172.21	165.60 168.88	148.84 163.33	141.26 149.71	130.44 138.10	134.49 138.10	134.49
Soymeal Winnipeg Delivered	493	489	489	487	487	486	485	473	474	474	
Corn Wpg, Delivered	198										

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