



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

# Hog Margin Outlook

Meeting Your Marketing Needs

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Tuesday, March 24, 2015

**Forward contract prices opened mixed this morning.** US cash markets sunk lower yesterday amid the abundant slaughter supplies estimated at 434,000 hogs by the USDA. Carcass weights appear to be coming down, relieving some of the high production pressure; non-packer owned hogs are experiencing the largest decline, now running under 210 lbs. However, Lean Hog futures are seeing less influence from the cash market today as they respond to yesterday's Cold Storage report. Inventory of pork in freezers on February 28 grew by 15% over the previous month, reflecting a growth pace that was triple the normal trend. These results reflect the higher production levels experienced over the last two months as well as a slow export sales pace that has resulted in a buildup of inventory in the domestic (US) market. The summer months have come under pressure from results of the Cold Storage report, but autumn prices are still strong and deserve some attention from producers who have not yet covered any of their price risk. Producers should consider covering up to 1/3 of their Sept-Dec production at current prices, ahead of Friday's Hogs and Pigs report.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading lower. Yesterday's support has been cited as a function of short covering and a decline in the USD which was weaker relative to a basket of currencies (and supportive for the complex). Export inspections came in at ~519,000 MT indicating demand has shifted to S. America adding pressure; US demand has fell from a 1.9 MMT average (October to February), to an ~630,000 MT average since February 26. As well, early 2015/16 production and ending stocks estimates are bearish.

**Canadian delivered corn prices opened higher this morning.** US corn futures are trading lower. Although there are some preliminary reports coming out that the US delta and southern regions are a bit wet (providing some acreage uncertainty), it is a bit too early to project uncertainty for the entire 2015/16 corn crop. However, continued wetness may influence a switch to soybeans in the affected states reporting (Louisiana, Mississippi, and Georgia) and persistent rain will be troublesome especially if it carries into April. There is talk that farmers were incited to sell on the recent rally, keeping the upside in check.

US Slaughter	
434,000	Monday
413,000	Monday (year ago)
W. Corn Belt	\$56.97
National Price	\$63.57
Daily Sig 3	\$130.70
Daily Sig 4	\$141.23
Thunder Creek	\$130.66
4-Month Fwd.	\$ 158.59
<b>B of C Ex. Rate (Noon)</b>	
\$1.2516 CAD/ \$0.7989 USD	
<b>Cash Prices Week Ending March 21, 2015</b>	
Signature 3	138.24/62.71
Signature 4	149.31/67.73
h@ms Cash	136.74/62.02
Hylife	146.89/66.63
Thunder Creek	142.90/64.82
ISO Weans	\$34.69 US Avg.
Feeder Pigs	\$68.67 US Avg.
#1 Export Sows (+500lbs)	\$35.00/cwt. (Tagged)

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #3			141.34 156.26	156.26 163.15	161.04 167.36	156.29 164.33	145.64 152.54	134.40 147.96	125.78 131.53	130.95 134.97	130.95
Maple Leaf Sig. #4			141.65 156.99	156.99 162.55	162.63 167.52	161.36 164.52	148.05 162.29	144.17 149.62	131.48 139.05	135.49 139.05	135.49
Soymeal Winnipeg Delivered	495	481	481	477	478	475	473	474	475	475	
Corn Wpg, Delivered	207										

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.

WINNIPEG LIVESTOCK  
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING;  
SOWS  
BOARS  
LIGHTS  
MARKET HOGS