



Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Tuesday, April 07, 2015

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

Forward contract prices opened mixed this morning.

US cash markets found some support in yesterday's trade with the USDA Midwest reporting regions coming in near \$58/cwt, recovering about \$1.50/cwt from last week's low. Many packers took a floating holiday as required by their labour agreements resulting in a daily slaughter of less than 300,000 hogs. This break in production may take some of the pressure off the wholesale pork market as abundant live supplies has kept the pork pipeline full, especially as the export markets struggle to keep pace with year ago levels. Current summer month forward contract prices are holding a \$40 premium to the cash market, which is approximately **50% larger** than the normal price relationship at this time of year. Given the ongoing uncertainty relating to export sales and pork production that continues to outpace 2013 levels by a significant margin, producers without protection should look at covering up to 40% of their summer and fall production at current prices.

Canadian delivered soymeal prices opened lower this morning.

Despite rumors of pending protests in S. America, there are no transportation disruptions at this point. In fact, there is talk of high yields in Argentina which could push the country's production up near a 59 MMT record. As well, the USD after showing some weakness, rallied in the overnight session relative to other currencies, adding further pressure. There is talk that all major US crops could see an additional 1-2 million acres relative to last week's Prospective Plantings report, pressuring crops in general this morning.

Canadian delivered corn prices opened even this morning.

Like soybeans, the market is responding to the higher USD and thoughts that increases in acreage relative to the Prospective Plantings report will increase production expectations, all else equal. Planting progress in the south has increased, but remains down from 5-year averages; Louisiana is 67% compared to 93%, Mississippi is 34% compared to 57%, Georgia is 36% compared to 59%, and Arkansas is 27% compared to 43%. Wet weather is cited for the delays, but has yet to materially influence the market.

US Slaughter	
295,000	Monday
402,000	Monday (year ago)
W. Corn Belt	\$57.86
National Price	\$61.44
Daily Sig 3	\$132.06
Daily Sig 4	\$135.79
Thunder Creek	\$131.97
4-Month Fwd.	\$166.97
B of C Ex. Rate (Noon)	
\$1.2452 CAD/ \$0.8031 USD	
Cash Prices Week Ending April 04, 2015	
Signature 3	130.72/59.29
Signature 4	138.15/62.66
h@ms Cash	129.22/58.61
Hylife	136.80/62.05
Thunder Creek	129.40/58.70
ISO Weans	\$32.22 US Avg.
Feeder Pigs	\$64.65 US Avg.
#1 Export Sows (+500lbs) \$37.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		162.62 162.62	162.62 171.79	169.30 175.61	164.25 173.01	154.50 160.24	143.39 156.31	134.81 140.53	139.95 143.96	139.95 152.42	152.42
Maple Leaf Sig. #4		163.80 163.80	163.80 171.12	170.83 175.72	169.72 172.87	156.61 169.27	150.81 157.67	140.18 147.71	144.16 147.71	144.16 152.27	153.83
Soymeal Winnipeg Delivered	476	476	475	476	474	473	471	472	472		
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.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING;
SOWS
BOARS
LIGHTS
MARKET HOGS