



Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, April 22, 2015

Hog Prices: ↑↓ Soymeal: ↔

Corn: ↔ CDN Dollar: ↓

US Slaughter	
432,000	Tuesday
409,000	Tuesday (year ago)
W. Corn Belt	\$62.31
National Price	\$66.02
Daily Sig 3	\$140.19
Daily Sig 4	\$143.83
Thunder Creek	\$139.85
4-Month Fwd.	\$162.54
B of C Ex. Rate (Noon)	
\$1.2274 CAD/ \$0.8147 USD	
Cash Prices Week Ending April 18, 2015	
Signature 3	142.07/64.44
Signature 4	139.61/63.33
h@ms Cash	140.57/63.76
Hylife	139.75/63.39
Thunder Creek	134.80/61.14
ISO Weans	\$34.19 US Avg.
Feeder Pigs	\$66.10 US Avg.
#1 Export Sows (Tagged)	
\$29.50/cwt. (+500lbs.)	

Forward contract prices opened mixed this morning. US cash markets are mixed this morning with strength in the National reporting region (+\$0.48 USD/cwt.) while ISM and WCB regions showed some weakness (lower by \$0.34 and \$0.06 USD/cwt. respectively). Slaughter numbers remain high and while producer owned hog weights are coming down somewhat, there are reports that packer owned hog weights are remaining at comparatively higher levels. Lean hog futures are trading lower this morning and are called choppy and two-sided until some news of substance can be factored into the market. Currently, there remains much speculation and uncertainty, on the one hand, being influenced by an expected seasonal drawdown in inventory as summertime grilling season takes hold and talk of the largest Q1 to Q2 production decrease in history. On the other hand, historically high slaughter levels and persistently higher weights add up to a considerable amount of pork as well as pointing to industry expansion. Producers without autumn protection are encouraged to review forward contract offerings in their risk management strategy.

Canadian delivered soymeal prices opened even this morning. US soybean futures are trading lower. Along with the bearish fundamental picture, there is increasing chatter regarding bird-flu concerns and its effect on the feed industry. Poultry currently is responsible for ~50% of soymeal disappearance in the US, and with new cases being reported (and federal and state agency involvement) there is talk that a significant drawdown of poultry stocks due to the disease could affect feed usage. Canadian dollar strength is making purchases of meal more competitive for Canadian buyers.

Canadian delivered corn prices opened even this morning. US corn futures are trading mixed. Weakness in meal, discounts in the Ukraine and Argentina, a relatively strong USD and expectations of lacklustre demand (domestic and international) are pressuring. May corn, specifically, dropped ½% yesterday on thoughts of a progressing Argentine harvest and some bird flu concerns. The slower than average planting progress has yet to offer much in the way of support.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3			158.17 167.14	166.13 172.31	160.85 169.01	151.31 156.92	141.23 153.95	132.78 138.41	137.85 141.79	137.85 149.20	148.64 149.77
Maple Leaf Sig. #4			160.44 165.87	166.97 171.75	165.40 168.23	152.72 165.12	147.88 154.64	137.85 144.83	141.34 144.83	141.34 148.42	149.95 151.05
Soymeal Winnipeg Delivered	459	458	457	458	456	454	451	454	454		
Corn Wpg, Delivered	188										

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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