



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Tuesday, May 05, 2015

Forward contract prices opened higher this morning. US cash markets started the week firm, gaining about \$0.75/cwt in the Midwestern regions. Last week's surge higher took packer operating margins into the red, as wholesale pork prices did not keep pace with increases in cash bids. A tighter hog supply came abruptly last week, catching many packers by surprise who had already committed to their production schedules. Contributing to the gains has been Memorial Day demand, where particular cuts that are destined for the grill have experienced strong support. Lean Hog futures have benefitted from the cash market strength of the last week, but the premium that the summer months currently hold to the cash is a factor that could slow progress higher. Adding to the bearish factors in the futures, traders will be watching for an improvement in estimated packer operating, as packers are typically only willing to operate at a loss for a short period of time. The Canadian Dollar has been gaining against its US counterpart, up about a cent early this week to the \$0.83 US level.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading higher. Talk that another (different) strike at the Port of Rosario in Argentina, this time by dock workers, and technical short covering is supportive in the short term. However, large production volumes in S. America are thought to be a pressuring force further out. Planting progress for US soybeans is steady, last week showing an 11% increase over the week previous, coming in at 13% compared to the 9% 5-year average and a trade expectation of 11% complete, keeping the current upside in check.

Canadian delivered corn prices opened even this morning. US corn futures are trading lower. As expected, the planting pace for US corn last week was very strong. The USDA's Crop Progress report released after trading yesterday showed 55% completed compared to 19% last week and a 38% 5-year average. Good weather is cited as the primary reason for the progress and there is talk that drier weather at the beginning of this week followed by some timely rain in critical growing areas will be good for crop development, but keep the upside of the trade limited for now.

US Slaughter	
425,000	Tuesday
385,000	Tuesday (year ago)
W. Corn Belt	\$75.51
National Price	\$72.07
Daily Sig 3	\$167.63
Daily Sig 4	\$154.93
Thunder Creek	\$167.76
4-Month Fwd.	\$171.21
B of C Ex. Rate (Noon)	
\$1.2111 CAD/ \$0.8257 USD	
Cash Prices Week Ending May 2, 2015	
Signature 3	152.94/69.37
Signature 4	145.11/65.82
h@ms Cash	151.44/68.69
Hylife	145.60/66.04
Thunder Creek	141.40/64.14
ISO Weans	\$41.05 US Avg.
Feeder Pigs	\$62.78 US Avg.
#1 Export Sows (Tagged)	\$24.00 cwt. (+500lbs.)

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		170.51 179.34	175.91 181.99	166.08 178.08	156.69 162.21	145.33 158.92	137.04 142.57	142.01 145.88	142.01 151.51	150.95 152.06
Maple Leaf Sig. #4		169.07 176.12	174.84 179.55	169.38 175.44	156.76 168.96	150.57 158.28	140.30 147.15	144.16 147.58	144.13 149.52	151.02 152.10
Soymeal Winnipeg Delivered	443	440	440	437	434	430	430	430		
Corn Wpg, Delivered	191									

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

CALL CRYSTAL FOR MORE INFO 204-235-2225

LIGHT HOG PROGRAM!

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS