



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)

Friday, May 08, 2015

**Forward contract prices opened mixed this morning.** US cash markets had another week of remarkable gains, with packers fiercely competing for the uncommitted supplies. Cash bids have climbed back to their highest level experienced since January, but in doing so, packers have taken their operating margins into negative territory as wholesale pork prices have not kept pace. Available hog supplies have come down with the last two weeks' slaughter averaging only about 7% larger than last year, down from the 10% larger slaughters we experienced in early April. Futures traders have built in higher values for the summer months based in part on the recent cash market support, but technical indicators suggest the market may be overbought which could limit further advances. Current forward prices do not hold a significant premium to the daily cash price, but summer cash markets are expected to be volatile with significant uncertainty in all the major factors. Producers should consider current forward prices as fair value and secure a portion of their summer and fall production.

**Canadian delivered soymeal prices opened lower this morning.** The US soybean complex is trading mixed again for the second straight day as the market attempts to reconcile old crop tightness and decent demand with increasing bearish fundamentals further out. Old crop sales are 101.4% of USDA estimates and there are still three months left in the marketing year. However, recent US demand strength is thought to be a function of logistics concerns in S. America, largely due to labour disruptions and slow farmer sales that are not thought to be sustained in the longer term. The WASDE report will be released Tuesday, May 12.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading mixed but are called lower on increasingly bearish outlooks. Old crop sales are slightly behind USDA estimates coming in 0.1% lower at 90.0% for the current marketing year. Decent planting (and crop development) weather is also pressuring. But the feed trade is concerned with the bird flu outbreak now thought to be spreading from farm to farm in the US, and also reports coming from China that corn imports could fall by as much as 50% to 2 MMT as corn production is expected to increase 7.6% over last year to a record 232 MMT crop.

US Slaughter	
434,000	Thursday
394,000	Thursday (year ago)
W. Corn Belt	\$78.33
National Price	\$76.30
Daily Sig 3	\$174.29
Daily Sig 4	\$164.40
Thunder Creek	\$173.94
4-Month Fwd.	\$173.00
<b>B of C Ex. Rate (Noon)</b>	
\$1.2139 CAD/ \$0.8238 USD	
<b>Cash Prices Week Ending May 9, 2015</b>	
Signature 3	169.67/76.96
Signature 4	157.82/71.59
h@ms Cash	168.17/76.28
Hylife	n/a
Thunder Creek	157.40/71.40
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		173.72 182.62	177.06 183.18	167.31 179.84	157.85 163.41	146.95 160.45	138.58 144.16	143.60 147.51	143.60 152.75	152.19 153.31
Maple Leaf Sig. #4		172.21 179.32	175.98 180.73	170.64 177.17	157.92 170.21	152.24 159.80	141.87 148.78	145.76 149.21	145.32 150.73	152.24 153.32
Soymeal Winnipeg Delivered	450	445	445	442	440	436	437	437		
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