



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Friday, May 15, 2015

Forward contract prices opened lower this morning. US cash markets came under some pressure in trade yesterday, even as we approach peak Memorial Day demand where retailers are looking to boost inventory for their featured products. The pork carcass cut-out gained close to \$1.00/cwt yesterday with the primal cuts destined for the grill showing a mixed price trend. This week's slaughter is on pace for about 2.14 million hogs, down slightly from recent weeks and providing no indication of packers expanding their production schedule to meet Memorial Day demand. These subtle, bearish signals may be the primary reason why the nearby futures contracts are trading lower this morning. Lean Hog futures have been struggling to add value while the cash market was climbing for the last two weeks. Technical indicators were showing these months to be overbought and with the first signs of cash market weakness, some traders wanted out of their struggling long positions. Forward prices are down approximately \$2.50/ckg from yesterday's close with a weaker Canadian Dollar providing some support.

Canadian delivered soymeal prices opened higher this morning. The market is struggling to sustain yesterday's upward turnaround in the face of bearish fundamentals. However, traders are suggesting that production expectations (assuming normal weather and some movement from S. America) have already been or are close to being priced into the market. This suggests that support is more likely than pressure in the mid to longer term, especially if the weather becomes less cooperative, (more) labour disruptions materialize in S. America, and/or Argentine farmers maintain a hold on their beans as a continuing currency hedge.

Canadian delivered corn prices opened even this morning. Another report of bird flu in Nebraska and lacklustre export demand is pressuring this morning. There is talk that cash markets are starting to be affected by bird flu concerns in the western US. There is an expectation that farmers may start to hedge crops in light of some pressuring demand indicators including feed concerns and news that new crop sales for export are 22% lower than normal pace. However, there is talk that US ending stocks could be lowered again using a new figure from a private firm suggesting that planted acreage will only be 88.7 million compared to the USDA's 89.2 million estimate.

US Slaughter	
420,000	Thursday
413,000	Thursday (year ago)
W. Corn Belt	\$80.21
National Price	\$80.92
Daily Sig 3	\$176.31
Daily Sig 4	\$172.24
Thunder Creek	\$176.03
4-Month Fwd.	\$169.02
B of C Ex. Rate (Noon)	
\$1.1992 CAD/ \$0.8339 USD	
Cash Prices Week Ending May 16, 2015	
Signature 3	176.57/80.09
Signature 4	168.58/76.47
h@ms Cash	175.07/79.41
Hylife	168.25/76.32
Thunder Creek	171.10/77.61
ISO Weans	\$38.88 US Avg.
Feeder Pigs	\$61.01 US Avg.
#1 Export Sows (Tagged) \$23.00 cwt. (+500lbs.)	

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		176.04 179.35	175.20 181.26	163.11 177.18	153.74 159.25	142.39 156.68	134.08 139.62	139.07 142.95	138.75 147.58	142.62 148.13
Maple Leaf Sig. #4		169.94 175.27	173.29 177.98	165.64 173.71	153.04 165.21	146.90 155.27	136.60 143.47	140.46 143.89	140.35 145.69	146.33 148.26
Soymeal Winnipeg Delivered	429	429	429	427	425	424	424	424		
Corn Wpg, Delivered	187									

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.



TECHNICAL EXCHANGE and INDUSTRY DISCUSSION

Friday May 29, 2015 - Starbuck Community Hall

Doors Open at 2PM for Registration.

BBQ and More - Featuring: Trent Loos

