



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

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Tuesday, May 19, 2015

Forward contract prices opened lower this morning. US cash markets started the week slightly lower Monday while Canadians celebrated Victoria Day. Packers lowered their cash bids in an effort to manage their operating margins, as wholesale pork prices have stalled at current levels for the last week. Given that the US Memorial Day holiday is only a week away, it is concerning that pork primal cuts destined for the grill are not climbing in value. The final ruling on the US appeal of the World Trade Organization (WTO) judgement of Mandatory Country of Origin Labelling (MCOOL) case was made public over the weekend, and the original finding that MCOOL is illegal was upheld. The judgement clears the way for Canada and Mexico to apply retaliatory tariffs on a wide variety of US imports, including pork and beef products. The threat of applying tariffs to US imports is hoped to result in the repeal of MCOOL law by US congress, which would allow free access of cattle and hogs into the US. However, if Congress does not take action soon, US pork prices could be negatively impacted by the tariffs applied by the Canadian and Mexican governments.

Canadian delivered soymeal prices opened higher this morning. Good new crop weather, a decent planting pace, and talk of high acreage is pressuring. Crop progress increased by 14% last week and has now outpaced the 5-year average of 36% coming in at 45% planted for week ending May 17, after getting off to a 'slow' start. There is talk that labour unrest including strikes are limiting the flow of beans to markets in Argentina and a strong crush in the US are supportive forces, but expectations of large production volumes are outweighing most support and rallies are thought to be short term selling opportunities in the current market.

Canadian delivered corn prices opened even this morning. Despite early season wetness adding to planting in the south, the US corn crop planting pace has improved to 85%, compared to the 75% planted last year at this time; the 5-year average is also 75%. There are some weather issues for the corn crop (too wet in areas and too dry in others), but there is talk that the advanced stage of planting progress is making it difficult to tell if there will be any unplanted acres as a result of weather events. Peripheral pressure from weakness in the wheat market is also adding pressure this morning.

US Slaughter	
432,000	Monday
382,000	Monday (year ago)
W. Corn Belt	\$81.62
National Price	\$81.25
Daily Sig 3	\$179.68
Daily Sig 4	\$173.21
Thunder Creek	\$179.78
4-Month Fwd.	\$170.35
B of C Ex. Rate (Noon)	
\$1.2010 CAD/ \$0.8326 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	\$39.28 US Avg.
Feeder Pigs	\$63.58 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		179.72 179.72	174.88 181.06	168.90 178.57	155.91 164.97	147.26 161.34	139.40 144.45	143.89 147.82	143.44 152.39	147.35 152.95
Maple Leaf Sig. #4		173.27 175.67	173.05 177.84	171.40 175.10	158.55 170.96	151.73 159.82	141.30 148.25	145.21 148.69	144.97 150.38	151.03 152.98
Soymeal Winnipeg Delivered	440	440	441	437	433	430	430	430		
Corn Wpg, Delivered	187									

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TECHNICAL EXCHANGE and INDUSTRY DISCUSSION

Friday May 29, 2015 - Starbuck Community Hall

Doors Open at 2PM for Registration.

BBQ and More - Featuring: Trent Loos

