



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 22, 2015

Forward contract prices opened higher this morning. US cash markets are finishing the week slightly lower despite improvements in wholesale pork prices that have shifted packer margins well into positive territory. Yesterday's move of the pork cut-out to just over \$87/cwt took the benchmark pork price to the highest level seen so far in 2015. While pork prices are still running about 25% lower than they were last year, this difference is easily explained by the fact that supplies are up close 6% compared to year ago levels. The trade has been able to draw down inventory over the last several months, despite high production levels, as pork has been very price competitive against alternatives. Later today, the USDA will release its Cold Storage report that reflects, among other things, pork inventory in licensed facilities on April 30. Futures traders appear more optimistic about the near term direction of Lean Hog futures and cash prices, as summer month contracts improved about \$1.00/cwt over this week. A weaker Canadian Dollar has also made a positive impact on current forward contract prices.

IMPORTANT NOTICE

Forward Contracting and Feed programs will be closed Monday May 26 due to US Memorial Day. The h@ms main office will remain open. Normal business operations resume Tuesday, May 26.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mixed ahead of the US Memorial Day long weekend. Markets will be closed on Monday and USDA reports will be pushed back until Tuesday so crop progress analysis and export inspections won't be widely reported until Wednesday; the reports will be available mid-trade (or after) on Tuesday, however. In the meantime, pressure remains on the bean trade with no real fundamental news influencing direction otherwise, but strikes in Argentina and a technically oversold position for beans could keep the downside in check.

Canadian delivered corn prices opened even this morning. Decent weather and increasingly warm temperatures bodes well for crop development and is pressuring the trade this morning. Private analysis using USDA trend line yield estimates also suggest that, while lower than last season, new crop production could exceed current estimates despite expectations of lost acreage. There is talk that export demand could pick up on reports that US corn is discounted by ~9.00 USD/MT compared to traditional competitors currently. Export sales sit at 91.3% of forecasts compared to the 92.7% 5-year average.

US Slaughter	
425,000	Thursday
372,000	Thursday (year ago)
W. Corn Belt	\$79.41
National Price	\$79.16
Daily Sig 3	\$177.04
Daily Sig 4	\$179.50
Thunder Creek	\$177.20
4-Month Fwd.	\$171.30
B of C Ex. Rate (Noon)	
\$1.2201 CAD/ \$0.8196 USD	
Cash Prices Week Ending May 23, 2015	
Signature 3	179.16/81.27
Signature 4	177.36/80.45
h@ms Cash	177.66/80.59
Hylife	n/a
Thunder Creek	177.30/80.42
ISO Weans	\$39.28 US Avg.
Feeder Pigs	\$63.58 US Avg.
#1 Export Sows (Tagged)	\$27.50 cwt. (+500lbs.)

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		184.24	179.71 185.90	169.45 181.74	159.88 165.51	147.57 162.23	139.12 144.76	144.19 148.14	148.89 152.26	147.20 152.82
Maple Leaf Sig. #4		180.04	177.73 182.53	171.95 178.17	159.08 171.51	152.08 160.70	141.60 148.58	145.53 149.02	144.83 150.27	150.92 152.88
Soymeal Winnipeg Delivered	444	444	445	439	436	433	434	434		
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

