



# Hog Margin Outlook

Meeting Your Marketing Needs

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Wednesday, May 27, 2015

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

**Forward contract prices opened higher this morning.** US cash markets were mixed Tuesday with the ISM and WCB reporting regions coming in higher by \$0.56 USD/cwt on average, while the National reporting region was lower by \$0.08 USD/cwt. from the previous day. Cash markets were initially lower on the first day of business after Memorial Day on pressure from ample live supplies and some pork primal cuts in cold storage (hams and bellies) that could be a limiting factor to cash market gains. However, there is evidence of improving cutout values suggesting packers could remain aggressive bidders while their margins are in the black. Lean hog futures Tuesday reflected the initial negative sentiment and pushed lower by \$0.56 USD/cwt on all contracts out to October. However, this morning's trade is showing an impressive recovery, with all summer-month contracts trading higher as of this writing, more than making up for yesterday's losses, despite once again reaching overbought territory. Producers without price protection are encouraged to balance current forward contract offerings with cash market outlooks and set appropriate targets in an effort to bring some price certainty to an uncertain and relatively volatile market.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher. Yesterday's late Crop Progress report showed 61% planted compared to 45% last week and a 55% 5-year average. The trade expectation was for 65%. The Canadian dollar is showing weakness relative to its US counterpart and moved another ~8/10ths of a cent lower in trade yesterday relative to Friday's close making meal purchases more expensive for local buyers. Today the CAD has opened at 80.39 ¢ USD, a function of ongoing USD strength and low energy (crude) values.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. Crop progress came in at 92% yesterday compared to the 5-year average of 88%, solidifying trade suspicions that the US corn crop is all but completely planted. Last week, progress was at 85%; the trade was expecting between 90% and 93% progress. Despite decent demand data, pressure is expected on thoughts that Chinese buyers will be avoiding US corn due to GMO concerns and also on talk that Chinese production will be raised this year, adding to an already relatively large global production estimate.

US Slaughter	
431,000	Tuesday
419,000	Tuesday (year ago)
W. Corn Belt	\$78.79
National Price	\$82.58
Daily Sig 3	\$179.52
Daily Sig 4	\$182.19
Thunder Creek	\$180.12
4-Month Fwd.	\$172.21
<b>B of C Ex. Rate (Noon)</b>	
\$1.2430 CAD/ \$0.8045 USD	
<b>Cash Prices Week Ending May 23, 2015</b>	
Signature 3	179.16/81.27
Signature 4	177.36/80.45
h@ms Cash	177.66/80.59
Hylife	176.03/79.85
Thunder Creek	177.30/80.42
ISO Weans	\$37.97 US Avg.
Feeder Pigs	\$67.66 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			182.76 189.05	172.59 184.59	162.86 168.58	150.14 165.19	141.56 147.28	146.71 150.71	146.68 155.84	150.69 156.42
Maple Leaf Sig. #4			180.75 185.62	175.10 180.97	162.03 174.66	154.69 163.15	144.06 151.15	148.05 151.59	148.05 153.80	154.46 156.46
Soymeal Winnipeg Delivered	451	451	452	444	439	437	438	438		
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.

**WINNIPEG LIVESTOCK**  
HWY #6 AND RD 236

CALL CRYSTAL FOR MORE INFO 204-235-2225

**LIGHT HOG PROGRAM!**

ACCEPTING:  
SOWS  
BOARS  
LIGHTS  
MARKET HOGS