



Hog Margin Outlook

Meeting Your Marketing Needs

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

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Tuesday, June 09, 2015

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

US Slaughter	
422,000	Monday
362,000	Monday (year ago)
W. Corn Belt	\$78.81
National Price	\$82.21
Daily Sig 3	\$179.63
Daily Sig 4	\$181.46
Thunder Creek	\$179.23
4-Month Fwd.	\$ 159.18
B of C Ex. Rate (Noon)	
\$1.2435 CAD/ \$0.8042 USD	
Cash Prices Week Ending June 06, 2015	
Signature 3	182.72/82.88
Signature 4	181.64/82.39
h@ms Cash	181.22/82.20
Hylife	180.19/81.73
Thunder Creek	181.10/82.15
ISO Weans	\$32.98 US Avg.
Feeder Pigs	\$55.70 US Avg.
#1 Export Sows (Tagged) \$32.00 cwt. (+500lbs.)	

Forward contract prices opened lower this morning. Cash markets continue to experience weakness as hog numbers continue exceed expectations. Recently, hog slaughter has been running close to 7% higher than year ago levels, significantly higher than suggested in the March Hogs and Pigs inventory numbers. In addition, there are indications that US producers are behind in their marketings with hog weights creeping higher at a time when they normally move lower. As a result, futures traders are discounting the July and August contracts, reflecting the uncertain supply fundamentals. Export markets could be the offsetting bullish factor, with the recent trend in exports to Asian destinations coming in more than 15% higher than year ago levels. The market trend over the summer months looks to be choppy as the inconsistent supplies are not necessarily cleared immediately through increased export sales. Producers looking for protection should focus on the late summer/early fall timeframe, where the market could be exposed to a glut of supply explained by new feeder barn capacity coming on stream and fewer pigs lost to PEDv.

Canadian delivered soymeal prices opened higher this morning. Thoughts that later than expected plantings due to wet weather amid heavy rainfall in some southern regions has slowed planting progress to 79%, a modest 8% increase over previous week. While progress is being made, it is behind last year's 86% and the 81% 5-year average. Concern is that some fields in flooded low lying areas may not actually get planted, limiting the number of acres and subsequent production from the oilseed crop. While the market is supported for now, volumes are expected to be light ahead of June's WASDE and Crop Production reports, released tomorrow.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. The USDA has stopped reporting percentage planted on the crop progress report, implying that the US corn crop is completely planted. The Crop Production report will be released tomorrow, but numbers are usually preliminary and production estimates (speculation) usually fall to crop scouts at this time of year; annual crop tours should begin soon. The WASDE report will also be released tomorrow and there is talk today's support could be a function of short covering ahead of the report, as the fundamentals, while 'improving', are still bearish for corn.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		172.95 179.17	161.11 173.74	151.49 157.14	140.91 153.75	132.43 138.08	137.52 141.48	137.52 151.92	146.81 152.48
Maple Leaf Sig. #4		172.30 177.12	165.00 171.53	152.06 164.56	146.76 153.60	136.24 143.25	140.18 143.69	140.18 148.97	150.63 152.60
Soymeal Winnipeg Delivered	457	457	446	441	433	432	432		
Corn Wpg, Delivered	184								

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WINNIPEG LIVESTOCK
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