



Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Wednesday, June 17, 2015

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

Forward contract prices opened higher this morning. US cash markets were lower in trade yesterday as there is significant resistance to adding value to the current cash bids as the hog supply continues to exceed expectations. In fact, the weekly hog slaughter has averaged nearly 7% higher than 2013 levels over the last month, while the USDA's March Hogs and Pigs report anticipated hog numbers would increase by 1% in this timeframe. The difficulty in reconciling these two numbers has resulted in significant uncertainty for the summer and fall months, as traders are factoring in the possibility of the market maintaining a weekly hog slaughter consistent the current trend. If these increases are sustained and supply follows the normal seasonal trend into the 3^d and 4th Quarters, there will be several weeks that hog slaughter capacity will be met. All producers should cover some of their fall price risk by taking forward contracts in the Sep-Dec timeframe at current prices in order to mitigate the negative price implications of this possibility.

Canadian delivered soymeal prices opened higher this morning. Thoughts that unplanted acreage and potential yield losses will result in lower production is supportive. There are currently 10.99 million acres unplanted due to a slow start exacerbated by rain and more in the forecast. The estimates for unplanted acreage in Kansas and Missouri alone are 4.91 million; those states were estimated to plant 9.45 million acres combined. However thoughts that some northern states may make up for some of the difference have the trade estimating only a 1.2 million acre drop from private estimates, and unchanged with the USDA's 84.6 million acres.

Canadian delivered corn prices opened even this morning. US corn futures are trading higher. Strength in soybeans and wheat combined with thoughts of short covering are supportive for the trade. As with soybeans, the weather is influencing a supportive tone as well as heavy rain from the recent tropical storm makes its way into the US interior. Predictions are for rainfall over the Corn Belt ranging from 2-6 inches from the effects of a system moving north from Texas into Oklahoma, heading eastward into Missouri, Illinois, Indiana and Ohio. Acreage loss and crop conditions are concerns at this time and will be closely watched.

US Slaughter	
424,000	Tuesday
379,000	Tuesday (year ago)
W. Corn Belt	\$77.44
National Price	\$80.76
Daily Sig 3	\$175.02
Daily Sig 4	\$176.74
Thunder Creek	\$175.06
4-Month Fwd.	\$ 148.25
B of C Ex. Rate (Noon)	
\$1.2330 CAD/ \$0.8110 USD	
Cash Prices Week Ending June 13, 2015	
Signature 3	177.84/80.67
Signature 4	179.93/81.62
h@ms Cash	176.34/79.99
Hylife	178.14/80.80
Thunder Creek	182.60/82.83
ISO Weans	\$24.90 US Avg.
Feeder Pigs	\$52.59 US Avg.
#1 Export Sows (Tagged) \$33.00 cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		166.11 166.68	152.60 164.19	142.99 148.64	132.84 145.33	124.36 130.03	129.45 133.41	129.45 142.31	137.21 142.87	139.36 142.76	142.76
Maple Leaf Sig. #4		166.55 168.96	157.62 163.16	144.71 157.18	139.81 146.31	129.74 136.31	133.24 136.74	133.24 141.53	142.19 144.16	140.99 145.59	145.59
Soymeal Winnipeg Delivered	479	474	460	454	441	440	440				
Corn Wpg, Delivered	190										

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