

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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Thursday, July 02, 2015

Forward contract prices opened higher this morning. US cash markets were slightly lower in trade yesterday while the Canadian industry celebrated Canada Day. Packers experiencing weakness in wholesale pork values have cut their cash bids for live hog supplies in spite of the spike in pork consumption expected this long weekend when the US celebrates Independence Day. The industry received news of a planned acquisition of Cargill's pork assets by JBS yesterday. The deal would combine the 3rd and 4th largest packers in the US, and JBS would also acquire Cargill's 160,000 sows and the feed mills that support this network. The deal does not appear to have significant market implications as there are no net slaughter capacity gains or losses that will result. 2015 Lean Hog futures continue to find support after last Friday's Hogs and Pigs report, as some suggest that the nearby contracts were too heavily discounted to the cash market leading up to the report's release. Producers without protection in the last half of 2015 should consider the recent price rally as a good opportunity to mitigate some of the price uncertainty relating to the abundant hog supplies.

Producers are reminded forward contracting will be closed 1 hour early today at 11:30AM Central to coincide with CME hours affected by an early market close.

Canadian delivered soymeal prices opened higher this morning. US soybean futures shot up 5% on average out to the November 2016 contract following the release of the Acreage and Grain Stocks reports on Tuesday. While soybean stocks and acreage were both up relative to previous years, the numbers came in lower than average trade expectations, sparking buying as the numbers approached the lower estimates (right).

Canadian delivered corn prices opened higher this morning. As

with soybeans, the US corn trade was boosted by more than 7% in Tuesday afternoon trade following the USDA reports as official numbers came in lower than trade expectations. Although US corn stocks are up relative to last year, planted acreage is down an estimated 2% and lower than intentions further supporting the trade.

USDA Acreage (million acres) and Grain Stocks (billion bu.) v. Analysts' pre-report Estimates					
Acreage	Low	High	AVG	Intentions	REPORT
Soybeans	83.76	86.76	85.17	84.64	85.10
Corn	88.45	91.47	89.29	89.20	88.90
Grain Stocks	Low	High	AVG	Last Year	REPORT
Soybeans	0.604	0.707	0.670	0.405	0.625
Corn	4.419	4.700	4.555	3.852	4.450

US Slaughter	
423,000	Wednesday
415,000	Wednesday (year ago)
W. Corn Belt	\$74.61
National Price	\$77.26
Daily Sig 3	\$170.59
Daily Sig 4	\$171.07
Thunder Creek	\$170.53
4-Month Fwd.	\$ 143.00
B of C Ex. Rate (Noon)	
\$1.2474 CAD/ \$0.8017 USD	
Cash Prices Week Ending June 27, 2015	
Signature 3	169.61/76.93
Signature 4	173.06/78.50
h@ms Cash	168.11/76.25
Hylife	170.82/77.48
Thunder Creek	173.00/78.47
ISO Weans	\$18.91 US Avg.
Feeder Pigs	\$41.72 US Avg.
#1 Export Sows (Tagged) \$33.50 cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		151.75 166.86	143.67 147.71	132.70 144.41	126.35 130.97	131.55 135.59	131.55 143.15	141.41 147.21	147.37 153.18	153.18 156.25
Maple Leaf Sig. #4		158.12 166.72	146.95 157.67	140.58 148.68	131.86 137.68	136.11 139.69	136.11 143.34	146.04 149.18	151.59 156.31	155.32 156.89
Soymeal Winnipeg Delivered	530	523	517	508	510	510				
Corn Wpg, Delivered										

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IMPORTANT NOTICE

h@ms Marketing Risk Management will be closed:

- ◆ 1 hour early today - Thursday, July 2 (11:30AM, Central)
 - ◆ Friday, July 3 (Independence Day, USA)
- Normal business activity resumes Monday, July 6

STRENGTH IN NUMBERS

