



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Thursday, July 09, 2015

Forward contract prices opened lower this morning. US cash markets are trading near steady at around \$78/cwt with ample supplies allowing packers to meet their production schedules without adding to their cash bids. Wholesale pork prices are struggling to maintain their values, with yesterday's market dropping close to \$0.50/cwt. The variability between the price trends of individual cuts has been significant with tenderloins and ribs prices equivalent to year ago levels, while ham and shoulder cuts are trading at half year ago levels. Pork export sales data for the month of May was released earlier this week, showing sales volumes to be up only 2% from last year's levels. The top export markets by volume were all lower than in May 2014 but gains in South Korea and China helped to offset. In particular, exports to Mexico showed no growth from year ago levels, explaining in part why ham values continue to struggle. Export sales need to see significant improvement in order to clear the larger than expected production, but the strong US Dollar is acting as an impediment to this action. As a result, producers should look to cover as much as half of their Sep-Dec production at current prices to mitigate the effect of burdensome domestic pork supplies.

Canadian delivered soymeal prices opened higher this morning. The WASDE report will be released tomorrow and the trade is focused on pre-report positioning this morning. The chart at right shows analysts' expectations and a bias toward lowered 2014/15 ending stocks (as there are rumors that the USDA was too generous in previous reports). Weather challenges and uncertainty, along with a lowered beginning stocks expectation, are supporting the new crop trade.

US corn futures opened higher this morning. As with soybeans, expectations of lowered ending stocks for 2014/15 and production uncertainty for new crop as a result of challenging US weather is providing support. It is much too early in the growing season to project much for the 2015/16 crop year; the one thing analysts agree on today is that all new crop variables are up for debate. The WASDE report will likely provide direction, but we have also seen volatility in the markets following a report that the trade finds suspicious.

July pre-WASDE Report - Analysts' Estimates (bil. bu., except yield in bpa)				
		Low	High	AVG
Soybeans	Old Ending	0.251	0.330	0.287
	New bpa	43.5	46.1	44.96
	New Prod.	3.580	3.885	3.776
	New Ending	0.193	0.450	0.370
Corn	Old Ending	1.726	1.880	1.811
	New bpa	163.0	169.0	165.39
	New Prod.	13.140	13.945	13.440
	New Ending	1.263	1.910	1.540

Source: Reuters, DLR

US Slaughter	
418,000	Wednesday
398,000	Wednesday (year ago)
W. Corn Belt	\$78.03
National Price	\$78.13
Daily Sig 3	\$181.96
Daily Sig 4	\$176.43
Thunder Creek	\$181.72
4-Month Fwd.	\$ 144.23
B of C Ex. Rate (Noon) \$1.2722 CAD/ \$0.7860 USD	
Cash Prices Week Ending July 4, 2015	
Signature 3	170.23/77.22
Signature 4	171.01/77.57
h@ms Cash	168.73/76.54
Hylife	169.12/76.71
Thunder Creek	169.00/76.66
ISO Weans	\$19.95 US Avg.
Feeder Pigs	\$39.10 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		152.91 169.49	144.73 148.82	133.39 145.43	126.96 131.64	132.22 136.31	132.22 144.28	142.53 148.38	148.66 154.50	154.50 159.24
Maple Leaf Sig. #4		159.38 169.33	148.07 158.92	141.39 149.77	132.56 138.45	136.87 140.49	136.87 144.48	147.19 150.36	152.90 157.66	157.13 160.75
Soymeal Winnipeg Delivered	543	532	526	518	518	518				
Corn	Local delivered price available on request									

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

ACCEPTING SOWS BOARS LIGHTS MARKET HOGS

CALL CRYSTAL FOR MORE INFO 204-235-2225