



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 16, 2015

Forward contract prices opened lower this morning. US packer bids dropped about \$1.00/cwt in trade yesterday as packers easily sourced all of their production requirements due to the abundant live hog supply. The supply trend is showing no signs of letting up, which is in contrast with the supply forecasted in the latest USDA Hogs and Pigs report. Weekly slaughter levels have been running nearly 100,000 hogs heavier than predicted for this timeframe. If we don't start to see some US weekly slaughters under the 2 million hog level soon, fall month Lean Hog futures will likely weaken even further. Adding to bearish pressure in pork prices is the influence of abundant domestic chicken supplies, which originates from more birds, heavier carcass weights and constrained export sales. The Canadian Dollar dropped to its lowest level in more than six years yesterday, reflecting the decision from the Bank of Canada to drop interest rates by 25 basis points. Producers should use the recent rally in forward prices as an opportunity to hedge, as it is evident that supply factors are going to be a bearish influence on prices into the Sep-Dec timeframe.

Canadian delivered soymeal prices opened higher this morning. Despite what analysts are calling a bearish tone to the soy trade this morning, the US soybean complex is trading higher, led by meal which, compounded by the recent drop in the Canadian Dollar, has meant that local meal prices have been rising. Pressure comes from thoughts that S. American offers are currently at a discount relative to US beans as well as some warmer, drier weather in the forecast and some long liquidation selling. The latest NOPA report showed 142.5 bu. of beans were used in the monthly crush whereas the market was expecting 141.5 bu., adding support.

US corn futures opened higher this morning. Moving rapidly from talk of too much rain, there are thoughts surfacing this morning that there could be too much heat during the pollination phase. In terms of corn yield, expectations between 163 and 166.8 bpa are currently being touted as possible although given recent growing conditions, it is likely the 166.8 bpa figure is simply too high for a national average. US corn producers will ultimately realize yields much higher and much lower than the averages depending on the growing area. Nevertheless, the August WASDE report will use survey results in an attempt to provide clearer yield estimates for 2015/16.

US Slaughter	
420,000	Wednesday
397,000	Wednesday (year ago)
W. Corn Belt	\$76.78
National Price	\$80.20
Daily Sig 3	\$182.07
Daily Sig 4	\$184.17
Thunder Creek	\$181.71
4-Month Fwd.	\$ 143.88
B of C Ex. Rate (Noon)	
\$1.2937 CAD/ \$0.7730 USD	
Cash Prices Week Ending July 11, 2015	
Signature 3	180.50/81.87
Signature 4	175.30/79.52
h@ms Cash	179.00/81.19
Hylife	174.36/79.09
Thunder Creek	171.10/77.61
ISO Weans	\$22.58 US Avg.
Feeder Pigs	\$41.87 US Avg.
#1 Export Sows (Tagged) \$33.00 cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		159.09 169.39	146.65 153.16	135.01 147.34	126.13 132.05	131.46 135.61	131.46 142.69	146.24 149.21	146.84 151.58	154.54 161.44
Maple Leaf Sig. #4		164.26 171.37	149.58 160.59	140.84 151.28	131.89 137.86	136.25 139.92	136.25 144.14	147.81 151.03	150.80 153.55	156.77 162.29
Soymeal Winnipeg Delivered	561	561	549	538	539	539	536			
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

CALL CRYSTAL FOR MORE INFO 204-235-2225

LIGHT HOG PROGRAM!

ACCEPTING;
SOWS
BOARS
LIGHTS
MARKET HOGS