



Hog Margin Outlook

Meeting Your Marketing Needs

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

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Thursday, July 30, 2015

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

Forward contract prices opened mixed this morning. US cash markets continued their sideways trend this week, even as the hog slaughter is setting up to be largest weekly total in more than month. Daily slaughter levels have consistently been among the highest since mid-June, which could result in a weekly hog slaughter exceeding 2.15 million hogs. This would be consistent with the trend over the last month that has seen the weekly slaughter come in 6% higher than 2013 levels. The USDA suggested that the increase in hog slaughter over 2013 levels would be half as large as we have experienced recently, which if the trend continues, implies a hog slaughter of more than 2.3 million by mid-September. The market has applied an average discount to the October and December contracts from current cash prices, which may not be enough to represent the weakness in the fall timeframe coming from abundant supplies. Fall forward contract prices are trading at their highest level in more than 40 days and represents good value in light of the heavy hog supply.

Canadian delivered soymeal prices opened higher this morning. The soybean complex remains in its downward trend, with good crop conditions and near ideal forecasts for most regions of the US Midwest. Soybean meal has been the strongest component of the complex, in part because demand from domestic livestock and poultry producers is expected to grow significantly.

US corn futures opened lower this morning. Corn futures have fallen nearly 17% over the last two weeks, representing the steepest decline experienced in close to 1 year. Almost all of the US crop has entered the critical pollination phase of production, which has led some analysts to increase their yield estimates due to the favourable weather recently experienced and forecast.

US Slaughter	
422,000	Wednesday
406,000	Wednesday (year ago)
W. Corn Belt	\$76.74
National Price	\$78.39
Daily Sig 3	\$181.36
Daily Sig 4	\$179.39
Thunder Creek	\$181.12
4-Month Fwd.	\$ 145.90
B of C Ex. Rate (Noon)	
\$1.2893 CAD/ \$0.7756 USD	
Cash Prices Week Ending July 25, 2015	
Signature 3	179.72/81.52
Signature 4	183.02/83.02
h@ms Cash	178.22/80.84
Hylife	180.99/82.10
Thunder Creek	181.10/82.15
ISO Weans	\$18.39 US Avg.
Feeder Pigs	\$38.56 US Avg.
#1 Export Sows (Tagged)	\$41.00 cwt. (+500lbs.)

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		165.44	152.90 159.47	139.69 153.60	130.72 136.70	136.10 140.28	136.10 147.36	150.92 153.89	149.57 154.32	157.28 164.36
Maple Leaf Sig. #4		170.51	155.70 166.80	145.45 157.42	136.42 142.44	140.82 144.53	140.82 148.68	152.35 155.57	153.46 156.21	159.43 165.13
Soymeal Winnipeg Delivered	545	545	524	502	499	499	497			
Corn	Local delivered price available on request									

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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