



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, September 03, 2015

Forward contract prices opened lower this morning. US cash markets lost more than \$1.00/cwt in the Midwest yesterday, reflecting the ample supplies available to packers. Producers have increased shipments in advance of an anticipated downturn in cash bids that is expected after the Labor Day long weekend. This is reflected by a decline in average hog weights to 277 lbs., when normally weights are stable to higher due to more favourable growing conditions. Lean Hog futures made gains on all offered contracts yesterday, pushing through technical resistance on several contracts. Traders have been encouraged by the support seen in the pork cut-out so far this week, with a stable trend seen as positive, amid abundant supplies. However, the market remains hesitant to add significant value to the winter and spring futures months, with the hog supply still exceeding USDA forecasts by 2-4%. Producers considering coverage over the winter months should consider setting targets of \$3-\$5/ckg over the current forward prices, with a greater focus on the Nov-Dec timeframe.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mostly lower, continuing the bearish trend despite technical lows and thoughts of eminent support. There are also thoughts that if yields come in lower than market expectations (market expectations are currently lower than USDA estimates), it might spark support. However, yield estimates even as 'low' as 45.4 bpa (private estimate) still represent record levels. The focus then turns to demand which is looking less bullish amid the high USD and global economic uncertainty. An updated WASDE report will be released late next week.

US corn futures opened lower this morning. As with beans, US corn is maintaining its lower trend in the face of meagre demand outlooks, in part, due to large stocks in China and thoughts the Chinese government is about to remove its corn subsidies. The removal of subsidies would put downward pressure on the US product as Chinese end users would likely look inward to source their needs. While new WASDE report numbers come out next week, there are thoughts that early harvest will soon be starting and the market will be looking at those numbers for early clues on yield and production estimates.

US Slaughter	
428,000	Wednesday
414,000	Wednesday (year ago)
W. Corn Belt	\$71.27
National Price	\$77.08
Daily Sig 3	\$173.89
Daily Sig 4	\$182.11
Thunder Creek	\$174.06
4-Month Fwd.	\$ 146.33
B of C Ex. Rate (Noon)	
\$1.3311 CAD / \$0.7513 USD	
Cash Prices Week Ending August 29, 2015	
Signature 3	179.90/81.60
Signature 4	185.41/84.10
h@ms Cash	178.40/80.92
Hylife	183.40/83.19
Thunder Creek	182.70/82.87
ISO Weans	\$19.04 US Avg.
Feeder Pigs	\$35.58 US Avg.
#1 Export Sows (Tagged) \$56.50 cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		143.79 160.74	134.74 140.77	140.17 144.39	138.20 147.84	151.46 154.47	152.42 156.04	156.64 165.35	170.62 180.35	181.56 187.64	188.25
Maple Leaf Sig. #4		151.85 164.41	140.41 148.81	144.84 148.58	142.23 149.23	152.97 156.23	155.18 157.98	158.92 166.24	169.82 180.65	169.82 180.65	188.65
Soymeal Winnipeg Delivered	501	492	485	485	482	485	485				
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.



All local h@ms soymeal deliveries will be suspended from September 1 to September 9 (or until further notice) as US suppliers shut down for maintenance.

STRENGTH IN NUMBERS

