



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Wednesday, September 23, 2015

Forward contract prices opened higher this morning. US cash markets were narrowly mixed across all reporting regions yesterday, maintaining a price near \$69/cwt. At this level, packers operating margins are estimated to be in the black by about \$30/head. The carcass cut-out has been resistant to its normal seasonal weakness over the last 3 weeks, despite hog supplies being more abundant than anticipated. Yesterday's Cold Storage report reflects the heavy supplies, with total pork inventory at 656 million pounds, 21% larger than year ago levels. This is also the largest August 31st pork inventory level experienced in 10 years. With poultry and beef supplies also the heaviest they have been in several years, the report is bearish to the entire protein sector. Despite this, Lean Hog futures continue to see modest gains in trade early this morning, providing producers with good hedging opportunities of the winter months. Dec-Mar forward prices are trading at their highest levels in approximately 4 months, even as all signs point to a bearish Hogs and Pigs report due to be released on Friday afternoon. Producers without protection should consider covering up to 40% of their winter production at current prices.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading higher despite harvest weather that is 'near ideal' and good yields so far. This morning's support is a function of some softening of the USD, some global weather issues, and talk that the market is poised to turn around on technical indicators after hitting new lows yesterday. There is an expectation that the Chinese President will make an announcement to purchase as much as 10 million tonnes of the oilseed during his visit of the US this week. This is largely seen as a symbolic gesture and that the market has likely already priced in this volume, although it will still provide underlying support.

US corn futures opened higher this morning. The US corn market has been two-sided and choppy in the early morning trade but has since turned higher. The support follows news that smaller European and Ukraine crops are likely and could squeeze global stocks, perhaps placing more of the US variant in demand. As well, and unlike soybeans, corn yields on average have come in slightly below expectations and vary widely across harvest areas in the US providing no clear direction. Despite some recent weakness, the relatively high USD continues to be a disadvantage for the US among its international buyers.

US Slaughter	
430,000	Tuesday
420,000	Tuesday (year ago)
W. Corn Belt	\$68.86
National Price	\$71.32
Daily Sig 3	\$167.60
Daily Sig 4	\$170.44
Thunder Creek	\$167.56
4-Month Fwd.	\$ 148.82
B of C Ex. Rate (Noon)	
\$1.3278 CAD / \$0.7531 USD	
Cash Prices Week Ending September 19, 2015	
Signature 3	163.41/74.12
Signature 4	169.53/76.90
h@ms Cash	161.91/73.44
Hylife	167.48/75.97
Thunder Creek	161.60/73.30
ISO Weans	\$31.69 US Avg.
Feeder Pigs	\$41.05 US Avg.
#1 Export Sows (Tagged) \$34.50/cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		148.01 165.87	138.87 144.97	144.36 148.62	143.69 153.43	157.09 160.13	157.45 161.10	161.71 169.02	173.89 183.63	184.85 190.94	183.68 191.55
Maple Leaf Sig. #4		156.07 168.64	144.51 153.00	148.99 152.77	147.64 154.71	158.48 161.79	160.13 162.96	163.91 169.80	172.99 183.84	184.31 188.55	187.18 191.85
Soymeal Winnipeg Delivered	481	482	476	476	474	471	471				
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

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS