



# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, September 30, 2015

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

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

US Slaughter	
435,000	Tuesday
424,000	Tuesday (year ago)
W. Corn Belt	\$70.77
National Price	\$72.62
Daily Sig 3	\$174.00
Daily Sig 4	\$172.90
Thunder Creek	\$174.22
4-Month Fwd.	\$ 152.21
B of C Ex. Rate (Noon)	
\$1.3413 CAD / \$0.7455 USD	
Cash Prices Week Ending September 25, 2015	
Signature 3	167.56/76.00
Signature 4	169.87/77.05
h@ms Cash	166.06/75.32
Hylife	168.60/76.48
Thunder Creek	164.50/74.62
ISO Weans	\$31.32 US Avg.
Feeder Pigs	\$43.23 US Avg.
#1 Export Sows (Tagged) \$42.50/cwt. (+500lbs.)	

## Forward contract prices opened higher this morning.

US cash markets gained more than \$1.00/cwt in all of the reporting regions yesterday, indicating strong packer demand. Yesterday's slaughter, estimated at 435,000 hogs was the largest daily slaughter of the year, as packers compete for the growing supplies to capitalize on the exceptional processing margins. Packer margins have been on a 2 month run of excellent profitability which has packers optimistic over the next few weeks. Current gross margins are estimated to be near \$30 per hog due to wholesale pork prices maintaining levels similar to a month ago when weekly production was about 5% smaller. Nearby Lean Hog futures rallied to their highest level since early June and with the Canadian Dollar trading near the lowest level in years, forward prices are hitting new highs this week. The futures are seeing direct influence from firmer cash market fundamentals, but could be at risk of pullback due to the collapse in beef prices the last several days and slow export sales.

## Canadian delivered soymeal prices opened higher this morning.

Despite a progressing harvest, expectations of large global supplies ahead of today's Grain Stocks report and talk of slowing demand, US soybean futures are trading higher. The trade has also been poised for some support after trading among lows, a feature masked in Canada by the CAD impact. There is talk that a spark may be developing on word that a private analyst has estimated higher global crushing demand for 2015/16 buoyed by some evidence of high crush margins in China. Nearby support is also thought to be a function of the Brazilian currency fluctuations, as competitiveness is impacted by this large global supplier.

**US corn futures opened higher this morning.** Strength in corn comes in part from some pre-Grain Stocks report short covering ahead of a USDA report that is largely thought to be bearish due to large global supplies. There is also talk that harvest could slow down somewhat in the next few days as a weather front brings in some rain, followed by cooler than average temperatures, but no frost threat yet. As well, an unidentified private crop tour has expressed that yields have been generally slightly below expectations, despite being historically high.

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		153.61	144.40 150.54	149.93 154.22	145.56 155.38	159.06 162.13	158.94 162.62	163.24 170.62	175.04 184.86	186.09 192.23	183.56 192.84
Maple Leaf Sig. #4		160.87	149.23 157.78	153.74 157.55	149.04 156.17	159.97 163.30	161.64 164.49	165.44 171.41	174.14 184.60	185.08 189.36	185.27 192.68
Soymeal Winnipeg Delivered	476	474	475	475	476	473	473				
Corn	Local delivered price available on request										

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**WINNIPEG LIVESTOCK**  
HWY #6 AND RD 236

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