Hog Margin Outlook

Meeting Your Marketing Needs

Friday, March 04, 2016

h@ms MARKETING SERVICES

For details call: (204)235-2237 or visit www.hamsmarketing.ca

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

US Slaughter	
432,000	Thursday
406,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$63.13
National	\$67.53
Iowa/S. MN.	\$63.23
Signature 3	\$155.14
Hylife	\$160.69
Thunder Creek	\$155.04
Sig 3 4-Month Fwd.	\$181.84
BoC Rate (Noon) *prev. day* \$1.3407 CAD / \$0.7459 USD	
Cash Prices Week Ending March 05, 2016	
Signature 3	155.36/70.47
h@ms Cash	153.86/69.79
Hylife	n/a
Thunder Creek	159.20/72.21
ISO Weans	\$56.04 US Avg.
Feeder Pigs	\$77.72 US Avg.
#1 Export Sows (Tagged) \$42.00/cwt (+500lbs.)	

Forward contract prices opened mixed this morning. *US cash markets came under pressure yesterday, and appear to be completing the week on a weaker tone. Wholesale pork prices have struggled to make any significant gains, even as processors are completing their final week of purchases to meet the Easter Ham demand. Strong ham prices are usually a feature of the market at this time of year, but due to abundant live hog supplies and ample inventory of hams in cold storage, prices have fallen about 10% over the last month. 2016 Lean Hog futures have consistently bumped up against a ceiling in prices where heavy selling pressure develops. All offered contracts in 2016 represent good value, but producer focus should reside on the 4th Quarter where production will peak and could meet the constraint of limited processing capacity. Producers should look at covering as much as half of their remaining 2016 production to ensure positive cash flow for the calendar year.*

Canadian delivered soymeal prices opened higher this morning. *US soybean futures are trading higher, somewhat confirming earlier suspicions that a short term recovery was developing. The likelihood that this recovery translates into substantial support in the mid-to-longer term is not very good based on two principle factors: 1) current support is thought to have been initiated on technical grounds (beans have been low and approaching oversold levels), and 2) the fundamental picture is so far bearish, exacerbated by relatively poor demand outlooks and stiff competition from S. America. For now, the trade is waiting for fresh data for some direction; next Wednesday, last season's crop production estimates will be updated and expectations are between a 440 and 466 million bu. carryout.*

US corn futures opened higher this morning. *Like soybeans, the US corn futures are seeing some technical support amid the pressure from a trade awash in supplies and meagre demand. However, there are some moderately supportive developments including decent export numbers and news from the Buenos Aries Grains Exchange indicating that they will hold production estimates for Argentina at 25 MMT (vs. the USDA's 27 MMT). This will likely not provide any real longer term support, but it does provide some rationale for a short term recovery. US crop production is expected to come in between 1.812 and 1.887 billion bu. (1.837 bil. bu. in February). Corn sales are at 66.1% of estimates compared to the 76.8% 5-yr. average.*

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		159.48 166.23	171.31 186.04	187.27 193.40	185.16 194.02	174.11 188.84	159.00 165.76	158.33 159.55	135.99 152.56	138.44 143.97
Soymeal Wpg Delivered	413	413	413	417	417	419				
Corn	Local delivered price available on request									

2016 District Meetings	Date	Time	Location
H.B. Marketing & MB West	Thursday, March 10	2:00 p.m.	***Headingley CC** - 5353 Portage Avenue, Headingley*
Manitoba East	Friday, March 11	12:00 Noon	**Smitty's Restaurant** - Clear Spring Centre, Steinbach
Swift Current	Tuesday, March 15	12:00 Noon	**Days Inn** - 905 North Service Road East, Swift Current
Saskatoon	Wednesday, March 16	12:00 Noon	**Courtyard Marriott** - 333 Aerogreen Crescent, Saskatoon
Heartland Marketing District	Thursday, March 17	2:00 p.m.	**Starbuck Community Hall** - 25 Main Street, Starbuck