



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 07, 2016

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

www.hamsmarketing.ca

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

Forward contract prices opened lower this morning. US cash markets struggled to hold gains made earlier in the week, with most USDA reporting regions showing weakness. Live hog volumes have tightened in recent weeks, with numbers trending similar to year ago levels. Moving through the March/April timeframe, both industry and USDA inventory numbers suggest that hog slaughter will dip below year ago levels, in part due to lower conception rates experienced last summer relating to a problem with semen extender product. Lean Hog futures are trading lower to start the week, after a strong finish to last week where summer month contracts tested resistance levels that had held for weeks. US pork exports experienced modest increases in volume in January, but struggle to maintain values comparable to year ago. A strong US Dollar, slowing world economy and more competitive pork from the EU has prevented growth in China, where most analysts believe the greatest potential lies.

Canadian delivered soymeal prices opened even this morning. The soybean complex moved higher last week but continues to be burdened by abundant supplies which is likely to be confirmed in Wednesday's USDA World Agricultural Supply and Demand Estimates (WASDE) report. Early industry estimates have the USDA's Domestic and World production projection for this growing season up slightly from February's estimates. However, other factors are playing a significant role in the short term moves of Soybean, Oil and Meal futures. Last week, Hedge Funds grew their net short position in Soybeans to a record large 86,000 contracts, which reflects a very bearish market view by the speculators.

US corn futures opened higher this morning. The corn market is dealing with factors very similar to the soybean market where prices are depressed, production estimates are growing (both domestic and global). Last week saw corn futures drop to their lowest level this year and put in new life of contract lows. Selling pressure came from Funds which sold 66,000 contracts to result in a record large, net short position for Funds, matching the event in Soybeans.

US Slaughter	
2.225 mil.	Last Week
2.213 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$62.78
National	\$67.33
Iowa/S. MN.	\$62.85
Signature 3	\$153.48
Hylife	\$158.87
Thunder Creek	\$153.30
Sig 3 4-Month Fwd.	\$ 179.60
BoC Rate (Noon) prev. day \$1.3337 CAD / \$0.7498 USD	
Cash Prices Week Ending March 05, 2016	
Signature 3	155.36/70.47
h@ms Cash	153.86/69.79
Hylife	159.74/72.46
Thunder Creek	159.20/72.21
ISO Weans	\$49.70 US Avg.
Feeder Pigs	\$79.05 US Avg.
#1 Export Sows (Tagged) \$42.00/cwt (+500lbs.)	

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		155.75 162.46	170.03 184.68	185.90 192.01	184.22 192.62	173.22 187.88	158.36 165.08	157.75 159.16	135.92 152.44	137.76 143.87
Soymeal Wpg Delivered	413	413	413	417	417	419				
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 and all pricing is subject to verification. Any unauthorized distribution is strictly prohibited.

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