



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

Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, March 09, 2016

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

www.hamsmarketing.ca

Forward contract prices opened higher this morning. US cash markets are trading in a weaker trend as packers protect their operating margins through matching cash bids to moves in wholesale pork prices. Ham values have failed to garner any significant support over the last two months, despite the fact that this primal cut typically provides most of the support in the early spring timeframe. Lead time for unprocessed hams to move through the processing and marketing channels exceeds two weeks, so any buying support for product intended to meet Easter demand has wrapped up. Summer month Lean Hog futures are being supported by ideas of a tighter spring supply and a belief that summer demand will be strong and support gains consistent with historical cash market trends. However, fall month contracts are not following the lead of the summer months, largely due to ideas of a heavy supply through the Sep - Dec timeframe.

Canadian delivered soymeal prices opened higher this morning. All eyes will likely be on the March WASDE report, released at noon today, as the market awaits some fresh news for direction. The direction will be mostly applicable to near-term dynamics, however, as new crop (i.e. mid-to-long-term) information will not start to become available until May, officially, from the WASDE report. For today, traders see ending stocks come in at 452 million bu. on average with a range between 440 and 466 million bu. Deviations from expectations are not generally expected but would likely result in a market move if surprises, which occasionally happen, develop.

US corn futures opened lower this morning. The US corn trade is not expected to react much to today's WASDE report except possibly confirming the recent moves lower if traders are accurate with expectations. Old crop corn is expected to show 1.854 billion bu. in carryout on average, ranging between 1.812 and 1.887 billion bu. and compared to the 1.837 billion registered last month. Interestingly, however, are thoughts unrelated to current WASDE estimates suggesting that the new crop numbers could be a bit tighter than usual. Analysts have suggested a 5% reduction in 20-year trend line yields (which would still be the 4th highest yield on record) could result in an 8.8% stocks to use ratio, the lowest stocks to use ratio in over 40 years.

US Slaughter	
435,000	Tuesday
430,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$62.49
National	\$67.20
Iowa/S. MN.	\$62.75
Signature 3	\$153.36
Hylife	\$157.30
Thunder Creek	\$153.66
Sig 3 4-Month Fwd.	\$ 182.76
BoC Rate (Noon) prev. day \$1.3389 CAD / \$0.7469 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) \$32.50/cwt (+500lbs.)	

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		157.89 164.62	173.23 187.91	189.14 195.26	186.42 195.87	175.33 190.02	160.22 166.96	159.55 160.77	137.27 153.79	139.11 142.23
Soymeal Wpg Delivered	418	418	418	421	421	423				
Corn	Local delivered price available on request									

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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