



# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, March 16, 2016

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

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

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

**Forward contract prices opened lower this morning.** US cash markets were steady to slightly higher in trade yesterday, as hog numbers are on a down trend and expected to tighten more than the seasonal average. Wholesale pork prices have struggled, with the pork cut-out reported to be down about 90 cents in trade yesterday. Ham values were the largest contributor to the weakness, falling about \$3.50/cwt and reflecting the drop in retail demand that is typical after Easter orders have been filled. Lean Hog futures are trading lower this morning but summer month contracts have been able maintain to most of the gains experienced last week. However, there is a growing divide in the price of the deferred month contracts, with the August – December period losing ground to the nearby contracts. This reflects the sentiment that the fall timeframe will burden the market with heavy supplies. Producers that are looking for additional protection in this timeframe should cover up to half of their fall production in advance of next week's release of the USDA Quarterly Hogs and Pigs Report.

**Canadian delivered soymeal prices opened lower this morning.** Crush data from NOPA that would have otherwise been considered supportive was largely ignored yesterday as US soybean futures turned lower for the second session in a row. There are thoughts that the reaction has been largely a function of weakness in other commodity markets and a sharp drop in the Brazilian currency yesterday (making Brazil beans more affordable in global markets relative to US variants) which will likely result in promoting more sales from the region.

**US corn futures opened lower this morning.** There is talk that a bottom could be developing for the US corn market on technical and fundamental grounds until new information becomes available. As well it is widely accepted that the market currently has little to no weather premium built into it. As such, increased talk suggesting an interim low is beginning to develop in the absence of any substantive news gaining prominence, especially as the trade heads back toward oversold technical levels. The Prospective Plantings report will be released at the end of the month.

<b>US Slaughter</b>	
432,000	Tuesday
438,000	Tuesday (year ago)
<b>Daily Prices</b>	
W. Corn Belt	\$63.28
National	\$67.55
Iowa/S. MN.	\$63.39
Signature 3	\$154.95
Hylife	\$158.04
Thunder Creek	\$154.88
Sig 3 4-Month Fwd.	\$ 186.11
<b>BoC Rate (Noon) prev. day</b> \$1.3359 CAD / \$0.7486 USD	
<b>Cash Prices Week Ending</b> March 12, 2016	
Signature 3	155.04/70.33
h@ms Cash	153.54/69.65
Hylife	157.65/71.51
Thunder Creek	155.50/70.53
ISO Weans	\$45.18 US Avg.
Feeder Pigs	\$74.80 US Avg.
#1 Export Sows (Tagged) \$28.50/cwt (+500lbs.)	

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		161.32 163.77	176.00 190.68	191.90 198.02	188.65 198.63	176.22 190.90	160.52 167.25	159.91 161.22	137.16 153.68	139.00 145.12
Soymeal Wpg Delivered	413	406	406	410	410	411				
Corn	Local delivered price available on request									

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2016 District Meetings	Date	Time	Location
Swift Current	Tuesday, March 15	12:00 Noon	Days Inn - 905 North Service Road East, Swift Current
Saskatoon	Wed., March 16	12:00 Noon	Courtyard Marriott - 333 Aerogreen Cres., Saskatoon
Heartland Marketing District	Thursday, March 17	2:00 p.m.	Starbuck Community Hall - 25 Main Street, Starbuck