

# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, March 23, 2016

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
434,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$61.72
National	\$66.91
Iowa/S. MN.	\$61.78
Signature 3	\$147.65
Hylife	\$153.90
Thunder Creek	\$147.46
Sig 3 4-Month Fwd.	\$182.62
<b>BoC Rate (Noon) prev. day</b> \$1.3051 CAD / \$0.7662 USD	
Cash Prices Week Ending March 19, 2016	
Signature 3	152.69/69.26
h@ms Cash	151.19/68.58
Hylife	157.14/71.28
Thunder Creek	155.30/70.44
ISO Weans	\$42.66 US Avg.
Feeder Pigs	\$79.01 US Avg.
#1 Export Sows (Tagged) n/a (+500lbs.)	

**Forward contract prices opened mostly higher this morning.** US cash markets saw modest gains in yesterday's trade, with packers hesitant to add money to their cash bids in light of wholesale pork prices that have struggled to maintain any significant gains. The USDA's Cold Storage Report released yesterday showed that pork supplies at the end of February were down slightly from year ago levels, and equivalent to the previous month. The comparison to last year is difficult to make as supplies had backed up due to union action at West Coast ports which slowed export sales volumes. Summer month Lean Hog futures are holding a larger-than-average premium to the current cash market, priced 37% higher than normal levels. This could lead to weakness in the summer month forward contract prices in the event that Friday's Hogs and Pigs report shows inventory in the lighter weight categories to be up more than 2.5%. Producers should consider covering up to 50% of their production to the end of the year, in advance of the close of trading on Thursday.

**Canadian delivered soymeal prices opened higher this morning.** Traders are bracing themselves for a reversal of the uptrend seen recently that appears to be developing this morning. Analysts cited Brazilian currency recovery and some renewed Chinese demand as near-term supportive factors. However massive supplies from Argentina, are weighing on the trade. Argentina's crush was up 50% from last year, coming in at 3.152 MMT, suggesting that exporters took advantage of the low export taxes and low currency value following the elections last year. Adding to the US market pressure is talk that Argentine beans are also making their way into North Carolina. Canadian delivered prices are higher, however, on a lower Canadian dollar.

**US corn futures opened lower this morning.** A privately published report recently suggested that corn costs should be relatively stable for the next couple months heading into the summer. The reasons are that usage relative to available supply is comparatively low and coupled with a low export demand, drastic moves higher are unlikely in the near-term. However, the weather this year is a big uncertainty and pricing could change dramatically depending on how the growing season unfolds. Producers likely have some time to consider their feed costs, but prices could move sharply if the US growing season becomes more challenging.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		157.76 160.18	172.84 187.36	188.57 194.61	184.72 195.22	173.00 187.49	159.23 165.87	158.62 160.39	135.13 151.49	136.95 143.01
Soymeal Wpg Delivered	407	408	408	413	413	414				
Corn	Local delivered price available on request									

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STRENGTH IN NUMBERS

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**The h@ms Marketing Forward Contracting  
department will be closed Friday, March 25.**

US Markets will be closed; the Hog Margin Outlook and opening  
price reports will likewise not be distributed on Friday.

Business resumes on Monday, March 28.

