

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 28, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
2.178 mil.	Last Week
2.279 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$62.21
National	\$66.34
Iowa/S. MN.	\$62.28
Signature 3	\$151.31
Hylife	\$154.16
Thunder Creek	\$151.14
Sig 3 4-Month Fwd.	\$184.53
BoC Rate (Noon) prev. day \$1.3269 CAD / \$0.7536 USD	
Cash Prices Week Ending March 26, 2016	
Signature 3	148.22/67.23
h@ms Cash	146.72/66.55
Hylife	153.19/69.49
Thunder Creek	151.00/68.49
ISO Weans	\$40.65 US Avg.
Feeder Pigs	\$83.26 US Avg.
#1 Export Sows (Tagged) n/a (+500lbs.)	

Forward contract prices opened mixed this morning. Markets have responded positively to the relatively neutral Quarterly Hogs and Pigs Report which showed modest supply increases into the summer. The breeding herd has remained unchanged from last year and is in fact lower than the December numbers providing a supportive tone to the market this morning. The biggest change in the report, however, and the number that implies what many in the trade have been wondering about, was the decrease in pigs saved per litter which was only higher than last year by 0.7% and 2.2% lower than the previous quarter. The implication, some have suggested, is that the extent of the AI extender issue has been partially captured in this category. The only other time a large quarterly drop like this was seen, was during the PEDv outbreak, and PEDv is largely believed to be well managed at this time.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower as the market anticipates the first 'real' look at acreage projections for the season. The Prospective Plantings report will be released on Thursday this week and there is some talk of pre-report positioning ahead of the data. So far the average trade estimate is expected to come in at 83.07 million acres, ranging between 81.5 and 84.1 million. If the higher of the estimates turns out to be accurate, it will be the largest planted acreage on record; and if normal deviation between planted and harvested acreage holds, and trend-line yields are maintained, ending stocks for 2016/17 could also be among record levels.

US corn futures opened lower this morning. Like the US soybean futures, US corn futures are trading lower ahead of Thursday's planting report. Arguably, the report could have more influence on the corn trade as US corn futures have been lacking strong direction in the absence of any real significant fundamental news. For Thursday, estimates are suggesting average estimates from plantings to come in at 89.998 million acres, ranging between 89.0 and 92. million. While high historically, the average is only be the 6th highest planted acreage in the last 9 years and just slightly below the 90 million acre threshold that has been breached in 5 of the last 9 years.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #3			171.92 186.43	187.64 193.69	184.72 194.30	173.72 188.22	160.35 167.00	159.65 160.85	135.98 152.28	137.79 143.83	142.01 147.47
Soymeal Wpg Delivered	410	412	412	416	416	417					
Corn	Local delivered price available on request										

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STRENGTH IN NUMBERS

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