



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, April 11, 2016

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

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

US Slaughter	
2.154 mil.	Last Week
2.175 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$62.85
National	\$67.15
Iowa/S. MN.	\$63.34
Signature 3	\$149.71
Hylife	\$155.57
Thunder Creek	\$150.54
Sig 3 4-Month Fwd.	\$176.90
BoC Rate (Noon) prev. day \$1.2995 CAD / \$0.7695 USD	
Cash Prices Week Ending April 09, 2016	
Signature 3	151.37/68.66
h@ms Cash	149.87/67.98
Hylife	154.47/70.07
Thunder Creek	150.90/68.45
ISO Weans	\$40.05 US Avg.
Feeder Pigs	\$79.95 US Avg.
#1 Export Sows (Tagged) \$35.00/cwt. (+500lbs.)	

Forward contract prices opened mixed this morning. US cash markets are expected to continue their lackluster performance this week, with no recent signs that wholesale pork prices will strengthen to a point where they will support stronger cash bids. Hog numbers remain abundant with last week's slaughter estimated by the USDA at 2.15 million and in line with their most recent Hogs and Pigs report results. The tighter numbers related to the Semen Extender issue have yet to materialize, or are being offset by unforeseen growth. Summer month Lean Hog futures held within a \$2.00/cwt trading range last week, with futures traders content to follow the lead of the cash market and maintain a steady trend. However, winter month Lean Hog futures are trading within \$0.50/cwt of 2016 highs and represent a good hedging opportunity, with prices currently averaging over \$140/cwt and would insure positive cash flow for most producers amid projected heavy meat supplies.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher, mostly on weather speculation now that new crop acreage has been officially estimated. Improving conditions and forecasts showing a warming and drying trend in the Midwest have led to talk that increasing bean acreage, due to farmers switching from corn, could be overstated. However, there is also talk the support could be relatively short lived. The April WASDE report will be released tomorrow, and the pre-report chatter is suggesting increasing supply numbers could be in the works. As such, some of today's support could also be a function of pre-report positioning.

US corn futures opened lower this morning. Unlike beans, the US corn trade has been unable to shake the bearish tone that has been set. Traders are not confident that demand factors will pick up anytime soon (domestic or export) and tomorrow's WASDE report is expected to confirm that a lot of corn still remains in the marketplace. World ending stocks are expected to increase from 206.97 to 207.44 MMT on average but there is a wide range of estimates (205-212 MMT) suggesting there is no consensus on the outlook, adding uncertainty. US ending stocks are expected to increase 10 MMT which, all else equal, should keep the current pressure in place.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		170.70 178.39	179.58 185.49	178.37 186.08	167.30 181.49	155.55 162.06	154.82 156.00	132.19 148.13	133.96 139.87	135.92 144.25	146.63
Soymeal Wpg Delivered	410	410	413	413	414	415	417	420	420		
Corn	Local delivered price available on request										

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