



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, April 28, 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 higher this morning.** US cash markets experienced one of their strongest gains so far this year, with all regions reporting increases in cash bids of \$1.70/cwt or better. Packers are seeing firmer wholesale pork prices that are giving them confidence to pay higher prices to producers in order to secure production steady production levels. Hog supply is lagging slightly from last week, but is on pace for another week of year over year increases which is consistent with the last Hogs and Pigs report. Nearby Lean Hog futures made impressive gains yesterday, rallying more than \$1.50/cwt from among the lowest levels seen in 2016 earlier this week. Cash market support was seen as the primary factor, but ideas of better export sales to China also contributed the bullish move. With the current premium priced into the summer months, the cash market would need to average a gain of \$2.00/cwt per week in order to converge with futures prices. While the magnitude of such a rally is larger than average, last year's market move over the month of May easily exceeded this pace. The Canadian Dollar continues to pressure cash and forward prices, resulting in nearly \$20/ckg drop in prices over the last 4 months.

**Canadian delivered soymeal prices opened higher this morning.** While soybean planting in the US is really just getting underway at about 3% complete, global trade factors have hijacked the market, with a focus on the expectation of a short crop forecast for South America. Soybean prices have climbed about 12% over the last 50 days, but US planting is putting a cap on further gains and is likely to provide some bearish pressure.

**US corn futures opened lower this morning.** Earlier this week, the USDA estimated that 30% of the US Corn crop had already been planted, which compares favorably to last year and the 5-yr average, which were at 16%. While cool, wet weather has slowed progress in the northern portions of the Cornbelt, most of the corn growing regions have warm dry conditions. While the market continues to see positive influence from South American weather, prices are unlikely to see much support given the better than average US planting progress.

US Slaughter	
433,000	Wednesday
426,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$69.30
National	\$69.90
Iowa/S. MN.	\$69.43
Signature 3	\$160.50
HyLife	\$155.19
Thunder Creek	\$160.44
Sig 3 4-Month Fwd.	\$172.00
<b>BoC Rate (Noon) prev. day</b> \$1.2635 CAD / \$0.7915 USD	
Cash Prices Week Ending April 23, 2016	
Signature 3	150.76/68.38
h@ms Cash	149.26/67.70
HyLife	152.16/69.02
Thunder Creek	148.20/67.22
ISO Weans	\$40.62 US Avg.
Feeder Pigs	\$74.15 US Avg.
#1 Export Sows (+500lbs.)	\$39.00/cwt. (Tagged)

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		173.27	174.42 180.18	174.41 181.31	164.56 178.37	152.77 159.10	152.20 153.39	130.37 145.90	132.09 137.85	133.88 141.97	144.28 145.44
Soymeal Wpg Delivered	471	473	479	478	477	474	470	469	469		
Corn	Local delivered price available on request										

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**WINNIPEG LIVESTOCK**  
HWY #6 AND RD 236

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