



Hog Margin Outlook

Meeting Your Marketing Needs

Friday, April 29, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
401,000	Thursday
424,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$69.67
National	\$70.66
Iowa/S. MN.	\$69.78
Signature 3	\$160.19
HyLife	\$157.13
Thunder Creek	\$160.09
Sig 3 4-Month Fwd.	\$ 171.17
BoC Rate (Noon) prev. day \$1.2544 CAD / \$0.7972 USD	
Cash Prices Week Ending April 30, 2016	
Signature 3	157.23/71.32
h@ms Cash	155.73/70.64
HyLife	Unavailable
Thunder Creek	151.90/68.90
ISO Weans	\$40.62 US Avg.
Feeder Pigs	\$74.15 US Avg.
#1 Export Sows (+500lbs.)	\$39.00/cwt. (Tagged)

Forward contract prices opened lower this morning. US cash markets added to the gains experienced earlier this week, with the weekly price increase near \$3.50/cwt or about 5%. The rally is not driven by tighter supplies, it appears to come largely from demand factors, and match a trend that was seen at the same time last year. Wholesale pork prices have led the gains, with all cuts contributing positively except for pork bellies. The combination of increased orders from domestic retailers for fresh pork (Barbecue Season) and evidence of better export demand have contributed to the gains. However, the collapse in ground beef prices experienced earlier this week is not a positive development for pork, and could prove to be the start of a price war between the two meats. For now, Lean Hog futures are focused on the positive cash market moves and talk of improved exports, which has led to late summer and fall prices recovering to within \$1.00/cwt of the highs experienced so far this year. Producers should use this recent support to add protection on up to half of their production in the Sep-Feb timeframe.

Canadian delivered soymeal prices opened mixed this morning. Soybean futures were able to maintain their recent gains, despite a break in South American weather concerns that are threatening to keep global supplies tight. However, almost all analysts forecast abundant Soybean production in the US and it seems unlikely that Chinese demand will resume at a level that will significantly reduce a large carryout.

US corn futures opened lower this morning. Over the last two months, Corn has been unable to match the pace of gains that Soybeans have experienced. This could be enough to change farmer planting intentions from Corn to Soybeans, as the change in projected profit per acre has been significant.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		172.33	173.47 179.21	173.26 180.14	163.96 177.73	152.36 158.67	151.61 152.76	129.59 145.08	131.31 137.05	132.97 141.01	143.31 144.46
Soymeal Wpg Delivered	471	473	478	478	476	475	471	470	470		
Corn	Local delivered price available on request										

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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