



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, June 06, 2016

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

www.hamsmarketing.ca

Hog Prices: ↑ ↓ Soymeal ↑ ↓

Corn: ↑ CDN Dollar: ↑

US Slaughter	
1.899 mil.	Last Week
2.120 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$77.36
National	\$77.24
Iowa/S. MN.	\$77.61
Signature 3	\$183.60
HyLife	\$177.80
Thunder Creek	\$183.80
Sig 3 4-Month Fwd.	\$ 174.70
BoC Rate (Noon) prev. day \$1.2948 CAD / \$0.7723 USD	
Cash Prices Week Ending June 04, 2016	
Signature 3	177.11/80.34
h@ms Cash	175.61/79.66
HyLife	177.97/80.73
Thunder Creek	177.00/80.29
ISO Weans	\$24.52 US Avg.
Feeder Pigs	\$62.63 US Avg.
#1 Export Sows (+500lbs.)	\$45.00/cwt. (Tagged)

Forward contract prices opened mixed this morning. US cash markets are expected to start this week higher, following last week's stronger trend which took cash prices to the highest levels since last summer. Packers added more than \$3.00/cwt to their bids in an effort to secure enough live hogs to meet their planned production schedule. With last week including the US Memorial Day holiday, packers were attempting to make up for lost production time late in the week. The sharp rally in the cash market gave the support needed to take the summer month Lean Hog futures to new contract highs, with current prices implying a 10% rally in cash prices over the next 5 weeks. However, the fall and winter month contracts struggled to make any significant gains as traders are skeptical about the upside potential to prices while pork production is anticipated to be record large. Last week's US jobs data showed the worst performance in about 6 years, which caught traders off guard. This news led to a sharp decline in the US Dollar against most every other currency, including the Canadian Dollar and resulted in more than a \$2.00/pkg decline in cash and forward prices.

Canadian delivered soymeal prices opened mixed this morning.

The soybean complex has seen its largest spring rally in years, driven in large part from market factors outside of the US. New crop prices are already described as extremely overbought, and with good weather in the forecast, may see weakness in the days ahead. The first reported crop conditions report for Soybeans will be out this week and traders are anticipated close to three quarters of the crop to be rated Good to Excellent, as compared to last year's 69%.

US corn futures opened higher this morning. US corn futures continued their trend higher last week, with late week information from the USDA contributing to the gains. Acreage estimates were lowered slightly compared to previous estimates, while forecasted export sales were increased. With forecasted temperatures expected to approach 95 degrees in Illinois and Iowa this week, crop stress could start to become a real concern and contribute to further price increases.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		191.34 198.41	182.47 196.60	158.56 165.04	157.97 159.15	134.66 150.56	136.43 142.31	139.42 147.73	150.11 151.30	150.94 150.94	151.53
Soymeal Wpg Delivered	624	609	588	575	567	564	564				
Corn	Local delivered price available on request										

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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