



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, June 22, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
423,000	Tuesday
419,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$81.99
National	\$83.09
Iowa/S. MN.	\$82.06
Signature 3	\$192.64
HyLife	\$187.29
TCP/Britco	\$192.37
Sig 3 4-Month Fwd.	\$ 171.74
BoC Rate (Noon) prev. day \$1.2818 CAD / \$0.7802 USD	
Cash Prices Week Ending June 18, 2016	
Signature 3	188.04/85.29
h@ms Cash	186.54/84.61
HyLife	184.55/83.71
TCP/Britco	182.90/82.96
ISO Weans	\$22.58 US Avg.
Feeder Pigs	\$51.76 US Avg.
#1 Export Sows (+500lbs.)	\$42.00/cwt. (Tagged)

Forward contract prices opened lower this morning. US cash markets are finding support early this week with wholesale pork prices moving higher and packers that are willing to compete for the available supply. Hog numbers have been relatively steady, but trending higher against year ago levels; this week's slaughter is anticipated to come in at 2.15 million hogs, approximately 2% higher than the same week in 2015. On Friday, the USDA will release its 2nd Quarter Hogs and Pigs report which should provide some insight on pig supplies over the coming months. Most analysts anticipate an increase in the pig crop of 3.0% compared to last year's report which would likely put pressure on winter Lean Hog futures contracts if the report confirms these expectations. In the short term, the value of the Canadian Dollar against US Dollar could see increased volatility over the next couple of days as financial markets are at risk of being disrupted by Britain's referendum on whether or not to exit the European Union. Producers should consider covering up to half of their planned production for the Sep – Feb timeframe at current prices.

Canadian delivered soymeal prices opened lower this morning. US soybean futures have turned around from the previous two sessions of losses and are trading higher this morning. There is talk that the recent selling was a bit overdone and that this morning's support reflects corrective action given decent demand and the ongoing weather uncertainty further out. Recent rain across most of the Midwest has pushed off any immediate production concerns, but further talk that farmers are holding onto old crop beans until the production picture becomes more clear is supportive in the short-term. As well, weather models are showing that heat and dryness is expected; it has just been pushed back a bit for now.

US corn futures opened higher this morning. In a similar manner to beans, US corn futures have turned higher this morning following downward pressure that saw the nearby contract break through the psychological \$4.00/bu. support level yesterday. As with beans, there is talk the recent turn lower was a bit overdone and that a correction was eminent. Along with production concerns further out, a slightly lower USD has also helped with corn's competitiveness. Recent rain has alleviated immediate fears of poor crop development for now, but the weather models show hot and dry weather is on its way, likely developing around the same time as the important pollination phase in a couple weeks.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		189.54 193.64	181.46 198.44	165.85 174.63	165.26 166.52	136.34 152.16	138.10 143.96	138.34 146.55	148.89 150.07	148.42 148.42	149.01 157.18
Soymeal Wpg Delivered	584	570	571	570	567	567	567				
Corn	Local delivered price available on request										

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance and all pricing is subject to verification. Any unauthorized distribution is strictly prohibited.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236



CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS