

# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, March 15, 2019

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

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## US Slaughter

460,000	Thursday
460,000	Year Ago

## Daily Prices

Iowa/S. MN.	\$53.00
W. Corn Belt	\$53.00
National	\$58.33

ML Signature 5	\$133.72
HyLife (prev. day)	\$136.80
TCP/BP2	\$133.72
BP4/TCP4	\$137.97

**BoC Rate (Noon) prev. day**  
\$1.3326 CAD / \$0.7504 USD

## Cash Prices Week Ending March 16, 2019

Signature 3	122.39/55.52
Signature 4	134.89/61.19
Signature 5	128.64/58.35
h@ms Cash	132.89/60.28
HyLife	N/A
TCP/BP2	120.44/54.63
BP4/TCP4	131.61/59.70

## 2018 Top-Up Value

\$6.50/ckg (call for details)

ISO Weans \$45.82 US Avg.

Feeder Pigs \$69.65 US Avg.

**Forward contract prices opened higher this morning.** US cash markets continue to see strength over the latter half of the week with ISM and WCB up \$1.37 and \$1.46 USD/cwt respectively while the National region is up a more modest, but still strong, \$0.77 USD. The HMO was not published yesterday. Compared to Wednesday, the ISM and WCB regions are up over \$3.00 and the National is stronger by \$1.48 USD/cwt. Recently lower hog weights and thoughts on an early spring turn around while the new plant ramps up production is behind the support while China optimism is as strong as ever despite the massive amounts of pork being produced. Meanwhile, lean hog futures have seen exceptional strength return to the market as many ag pundits declare that China has begun to buy pork in the international market. Specifically, they point to a purchase of approximately 24 MT of pork in the weekly sales report yesterday that was bought by China bringing the total commitments on record to a number 176% higher than one year ago. The more cautious analysts point out that 'commitments' are not physical sales and merely represent intent. Regardless, the market has responded positively to the news and while the nearby contracts are not at the same levels seen months ago, deferred contracts are exceptionally strong from a historical closing value perspective.

## Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher after probing to recent lows. Brazil cuts to production forecasts, short covering activity, and continued optimism on China sales are supporting the market. There is no shortage of opinion on the China role in all of this which very much remains to be seen. Record shipments to China from Brazil and softening feed demand due to ASF could 'cap' old crop sales. In the meantime, the market is more bullish in tone despite news the Trump and Xi meeting will likely be postponed until sometime in April.

## US corn futures opened higher this morning.

More supportive rumors that China is poised to, has, or soon could be buying US corn is supportive but a lack of confirmation has been keeping the upside in check. The China/US trade story is dominating the discourse despite some activity on the ethanol front the currently uses approximately 1/3<sup>rd</sup> of the US corn crop and could be potentially 'more important'. Many are hoping the lows have been put in for now.

Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		148.20 151.26	153.78 175.40	182.13 197.87	195.27 197.31	189.59 197.16	175.49 182.20	169.73 174.04	153.75 167.03	151.40 156.66
Soymeal Wpg/S.Man	n/a									

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2019 District Meetings	Date	Time	Location
Heartland Marketing District	Thurs., March 14	2:00 P.M.	Starbuck Community Hall - 25 Main Street, Starbuck
Manitoba East	Friday, March 15	12:00 Noon	Smitty's Restaurant - Clear Spring Centre, Steinbach