

# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, March 29, 2019

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

## US Slaughter

479,000 Thursday  
461,000 Year Ago

## Daily Prices

Iowa/S. MN. \$76.68  
W. Corn Belt \$76.50  
National \$72.67

ML Signature 5 \$180.76  
HyLife (prev. day) \$171.56  
TCP/BP2 \$180.76  
BP4/TCP4 \$173.22

**BoC Rate (Noon) prev. day**  
\$1.3429 CAD / \$0.7447 USD

## Cash Prices Week Ending March 30, 2019

Signature 3 180.08/81.68  
Signature 4 164.02/74.40  
Signature 5 172.05/78.04  
h@ms Cash 162.02/73.49  
HyLife N/A  
TCP/BP2 145.13/65.83  
BP4/TCP4 144.65/65.61

## 2019 Rolling Top-Up Estimate

\$6.95/ckg

ISO Weans \$51.73 US Avg.

Feeder Pigs \$79.30 US Avg.

**Forward contract prices are lower this morning.** US cash markets are levelling off to finish the week but still are maintaining the recent trajectory upward. ISM and WCB regions are about 30 cents (USD) higher with the National region playing 'catch up' and coming in \$1.97 USD/cwt higher on the day. The past week has seen impressive gains in the cash markets but has backed off on a weakening carcass value and ample pork supplies ahead of the expected surge in demand. As well, The USDA's quarterly Hogs and Pigs report released yesterday showed strong numbers across all categories and records were set for all hogs and pigs, kept for marketing, December to February pig crop and pigs saved per litter. Most numbers came in near pre-market estimates, so the report is considered neutral to bearish. Lean hog futures have gapped lower at the open and many contracts were in expanded limit territory to start the early morning session. Ample supplies as noted on the Hogs and Pigs report, profit taking, short covering, and poor export performance is pressuring the trade. Numbers to January show a 1% decrease in export volume while export value dropped by 9% due to the tariffs applied by Mexico and China. Despite this, there is still strong optimism that the global pork trade will be disrupted due to ASF related issues and that the USA is poised to benefit. In the meantime, the market is pricing in the current information and will likely exhibit features of volatility until more certainty is determined.

**Canadian delivered forward contract prices opened higher this morning.** Two big reports for the grains and oilseeds trade will be released today and both mid-trade released could inject some volatility into the mix. For the Quarterly Stocks report, beans are expected to come in at 2.638 billion bushels on average against a 2.095 to 2.797 billion bushel range. Prospective plantings are expected to be reduced from last year's 89.196 million acres to 86.169 million against a 84.3 to 88.0 million acre range.

**US corn futures opened lower this morning.** Like beans, all eyes will be on today's USDA reports for ideas on direction. Quarterly stocks are expected to reveal 8.335 billion bushels on hand at March 1, 2019 on average against a 7.620-8.800 billion bu range of estimates. Corn acreage is expected to increase relative to last year from 89.129 million acres in 2018 to 91.332 million acres this year. The range is from 89.5 to 92.7 million acres although the recent flooding and cold wet weather in some growing regions has some suggesting farmers may have to switch acres currently intended for corn.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		161.72 183.36	190.09 205.84	203.38 205.30	189.28 205.76	178.48 184.91	172.84 176.48	153.97 166.66	151.62 157.01
Soymeal Wpg/S.Man	451	454	451	450	453	465			

This bulletin is intended as a marketing tool for subscribed members only. Prices are **not** quotes and **all pricing is subject to verification**. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.