

# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, April 5, 2019

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

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## US Slaughter

477,000 Thursday  
466,000 Year Ago

## Daily Prices

Iowa/S. MN. \$77.25  
W. Corn Belt \$76.77  
National \$77.23

ML Signature 5 \$185.53  
HyLife (prev. day) \$181.11  
TCP/BP2 \$185.53  
BP4/TCP4 \$183.10

**BoC Rate (Noon) prev. day**  
\$1.3357 CAD / \$0.7487 USD

## Cash Prices Week Ending April 6, 2019

Signature 3 185.81/84.28  
Signature 4 180.15/81.72  
Signature 5 182.98/83.00  
h@ms Cash 178.15/80.81  
HyLife N/A  
TCP/BP2 172.05/78.04  
BP4/TCP4 164.02/74.40

**2019 Rolling Top-Up Estimate**  
\$6.95/ckg

ISO Weans \$59.96 US Avg.

Feeder Pigs \$86.96 US Avg.

**Forward contract prices are higher this morning.** US cash hog markets made gains of more than \$1.00/cwt in yesterday's trade, returning cash prices to their highest level since mid-July of last year. Pork prices continue to support the gains in packer bids, with the pork cut-out adding about \$2.00/cwt in yesterday's trade with all of the primal cuts making solid gains. As of yet, there is no evidence of the start to the seasonal decline in hog numbers, with this week's slaughter similar to levels experienced over the last month, near 2.5 million hogs. Yesterday's trade in Lean Hog futures had almost all months finishing the day close to \$3.00/cwt higher, which was the daily limit. This rally continued this morning and is focused largely on speculation about exports to China and other Asian countries like Vietnam and Cambodia (which broke with African Swine Fever about two weeks ago). Producers that have not yet taken any forward price protection should use the current forward prices to cover a third of their intended 2019 production and set targets at \$10/ckg increments higher than current prices for additional protection.

**Canadian delivered forward contract prices opened lower this morning.** The lack of any news coming from the US/China trade talks happening in Washington the last two days has added pressure on the soybean complex. Adding to bearish trend is news of 'excellent' yields of soybean in Argentina that will add to the world supply.

**US corn futures opened lower this morning.** US Corn Futures are down approximately 5 cents this morning from yesterday's highs, with volatility the only constant in ag commodity markets. Corn acres are expected to grow from 2018 levels, as the uncertainty in the China/US trade dispute has likely led some farmers to shift soybean acres to corn this spring.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		194.53 200.31	207.06 222.85	217.84 219.77	205.74 218.98	194.91 201.36	189.02 192.66	171.14 183.86	168.79 174.19
Soymeal Wpg/S.Man	452	455	462	461	465	467			

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