

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, April 8, 2019

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

www.hamsmarketing.ca

US Slaughter

2.458 mil. Last Week

2.333 mil. Year Ago

Daily Prices

Iowa/S. MN. \$77.08

W. Corn Belt \$76.74

National \$77.41

ML Signature 5 \$186.12

HyLife (prev. day) \$181.99

TCP/BP2 \$186.12

BP4/TCP4 \$183.94

BoC Rate (Noon) prev. day

\$1.3386 CAD / \$0.7470 USD

Cash Prices Week Ending

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 180.08/81.68

TCP/BP2 172.05/78.04

BP4/TCP4 164.02/74.40

2019 Rolling Top-Up Estimate

\$6.26/ckg

ISO Weans \$61.43 US Avg.

Feeder Pigs \$95.40 US Avg.

Forward contract prices are higher this morning. US cash markets finished last week near steady with where they started, despite significant volatility seen across the whole pork complex. Hog supply remains on the high side of expectations, with last week's slaughter totaling 2.5 million hogs, nearly 7% higher than year ago levels largely due to the Easter Holiday impacting last year's production schedule. Weekly slaughter levels are anticipated to fall close to 10% over the next 6 weeks, in line with the seasonal trend. This typically results in a strengthening of cash hog prices as packers attempt to secure the uncommitted hog supply during the low production of the summer timeframe. Lean Hog futures currently peg the spring/summer rally at about USD\$20/cwt or close to 25% of their value. However, there is ongoing uncertainty associated with the export markets with no finite timeline as to when the US and China may reach a trade agreement or when the US will ratify the United States Mexico Canada Agreement (USMCA). Those producers whom have not yet taken any price protection should use current forward prices to cover a third of their intended 2019 production and set targets at \$10/ckg increments higher than current prices.

Canadian delivered forward contract prices opened higher this morning. New crop soybean meal futures are trading in the middle of their 6 month trading range, which has not seen the same volatility as soybean futures. Good growing conditions in South America combined with a higher chance of delays in Midwestern planting of corn may limit the support being seen in new crop prices.

US corn futures opened higher this morning. Increasingly, the corn market is seeing influence from Midwestern weather, given the approaching planting season. This week's forecast calls for significant precipitation across the Northern sections of the Midwest, which could see some areas receive 12 inches of snow, hindering drying conditions.

Forward Range
(at opening)

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

Maple Leaf
Sig. #5

194.44

206.91

218.96

209.80

199.02

193.40

176.20

173.85

200.19

222.62

220.88

219.90

205.44

197.04

188.86

179.23

Soymeal
Wpg/S.Man

453

456

463

462

466

468

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STRENGTH IN NUMBERS

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