

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, February 18, 2021

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

492,000	Wednesday
491,000	Year Ago

## Daily Prices

WCB	\$70.61
National	\$78.10
Nat'l Cutout Adj	\$80.25
Daily Cutout	\$89.17
Signature 4	\$176.22
BP4/TCP4	\$176.22
HyLife Cash	\$186.73
HyLife Cutout	\$191.88

**BoC Rate (Noon) prev. day**  
 \$1.2712 CAD / \$0.7867 USD

## Cash Prices Week Ending

February 13, 2021

Signature 4	165.06/74.87
h@ms Cash	163.06/73.96
HyLife Cash	176.26/79.95
HyLife Cutout	186.85/84.75
BP4/TCP4	161.01/73.03
OlyWest 2020	159.60/72.39
OlyWest 2021 (Cutout)	177.40/80.47

ISO Weans \$53.87 US Avg.

Feeder Pigs \$77.78 US Avg.

**Forward contract prices opened mixed this morning.** Daily US cash prices are mixed relative to the previous day, but all regions except the negotiated WCB are pushing to new highs for the marketing week when compared against the weekly historical benchmarks. The National cutout-adjusted base was lower than the previous day, but cutout values remain amid the highs which is expected as the industry works to fill the pipeline and re-establish cold storage stocks. The monthly cold storage report will be released next Tuesday, and the market will be watching to see if stocks start to recover from the historically low levels seen recently. Lean hog futures are slightly lower at the open but still residing amid contract highs. After days of trading amid technically overbought levels (observing the 'day' as a unit of analysis, minute/hourly charts are mixed), follow through buying appears to have dried up for now, but that is not to say that the bullish tone in the market has subsided; it could just be a corrective move in the interim. Contract values since the beginning of the year have rallied by ~20%, ~11%, and ~14% for the April, July, and December contracts, respectively, and the tone is still one of support. Normally on Thursdays, the weekly Export Sales report would be released before the market opens, but due to the holiday in the USA on Monday this week, the report will not be published until tomorrow (Friday).

**US soymeal futures opened lower this morning.** The market typically looks to the weekly Export Sales report for clues on direction on Thursdays, but the report will be delayed by a day as noted above. In the meantime, the USDA's Outlook Forum is being conducted over the next two days with first 'unofficial' looks at the marketing year ahead. Analysts expectations ahead of the Forum are calling for ending stocks of beans to be raised slightly to 184 million bu. on average against a 100-265 million bu. range for the 2021/22 marketing year. The February WASDE report pegged current ending stocks at 120 million bu.

**US corn futures opened mixed this morning.** Analysts' estimates ahead of the USDA's Outlook Forum for the 2021/22 marketing year range between 1.267 billion and 2.050 billion bu. with an average coming in at 1.665 billion bu. The USDA estimated ending stocks of US corn at 1.502 in the February 2021 WASDE report. While the Outlook Forum does provide the market with an idea about what to expect, official new crop supply and demand estimates are not officially revealed until the May WASDE report.

Forward Range  
(at opening)

Apr

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf  
Sig 4

183.79  
186.96

180.29  
190.68

192.04  
199.72

196.64  
200.17

190.21  
199.69

171.62  
179.75

168.70  
170.95

155.73  
163.40

156.63  
158.44

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STRENGTH IN NUMBERS

