

# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, February 24, 2021

For details call: (204)235-2237 or visit [www.hamsmarketing.ca](http://www.hamsmarketing.ca)

## US Slaughter

497,000 Tuesday  
493,000 Year Ago

## Daily Prices

WCB	\$75.70
National	\$79.82
Nat'l Cutout Adj	\$83.48
Daily Cutout	\$92.75
Signature 4	\$178.57
BP4/TCP4	\$178.57
HyLife Cash	\$189.79
HyLife Cutout	\$198.47

**BoC Rate (Noon) prev. day**  
\$1.2603 CAD / \$0.7935 USD

## Cash Prices Week Ending

February 20, 2021

Signature 4	173.87/78.87
h@ms Cash	171.87/77.96
HyLife Cash	186.36/77.96
HyLife Cutout	195.00/88.45
BP4/TCP4	165.06/74.87
OlyWest 2020	167.00/75.75
OlyWest 2021 (Cutout)	184.10/83.51

ISO Weans \$53.87 US Avg.

Feeder Pigs \$77.78 US Avg.

**Forward contract prices opened higher this morning.** Daily US cash markets continue to push higher with all regions posting new daily highs relative to the weekly benchmarks for this marketing week. The turnaround that typically develops around this time of year (in a week or two on average) does not appear to be setting up and with ideas that exceptionally low freezer inventories are in part paving the way for a rebuilding, ongoing strong demand is expected. The pork cutout remains high, with the net value of the carcass only 3.8% below 2014 levels for this marketing week when the daily is compared against the weekly average in 2014. The recent Cold Storage report revealed freezer inventories of US pork in January were down 26.5% compared to year ago even though they were up slightly relative to December. Bellies are down 56% coming in at 31.3 million lb. and the third lowest level since the 1970s. As well, there are ideas that a tightening of live supplies is behind the more aggressive bidding that has been suggested earlier. The combination of exceptionally low cold storage, a tightening of live supplies, and a more rapid roll out of Covid-19 vaccinations in the USA relative to Canada are all factors supporting lean hog futures which are once again showing strength in today's session. There have been only three 'down days' since February 2 which were more akin to minor 'cooling off sessions' than any real correction per se. Futures values are presently breaking new ground in some of the summer months where the July and August contracts are 1% higher than during the April 2019 rally that developed due to ASF speculation almost two years ago.

**US soymeal futures opened higher this morning.** US soybean futures are regaining support once again on ideas that new China interest will resume following the recent Lunar New Year holiday and some weather concerns in South America. A slow harvest in Brazil (the slowest pace in 10 years) and thoughts that Argentina needs timely rain very soon are lending to the support.

**US corn futures opened higher this morning.** US corn futures are up for the third consecutive session this week and making up for all the losses in the session on February 10 (nearby contract). The trade is not yet at the highs that were reached on February 8 and 9, but within 15 cents USD/bu of the recent high. Like beans, South American weather and production uncertainty, strong demand outlooks, and a relatively tight balance sheet are supportive factors.

Forward Range  
(at opening)

Apr

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf  
Sig 4

191.79  
195.03

185.81  
196.63

197.97  
206.00

201.88  
206.45

195.19  
205.12

174.01  
182.49

171.46  
173.81

157.85  
165.88

158.74  
160.64

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.

follow us @hamsmarketing  


**Some Important Phone Numbers**  
Main Office: 204-233-4991  
Toll Free: 1-800-899-7675  
Logistics: 204-235-2225  
Risk Management: 204-235-2237

STRENGTH IN NUMBERS

