

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, March 5, 2021

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

US Slaughter

495,000	Thursday
497,000	Year Ago

Daily Prices

WCB	\$86.83
National	\$84.60
Nat'l Cutout Adj	\$84.60
Daily Cutout	\$93.52

Signature 4	\$189.77
BP4/TCP4	\$189.77
HyLife Cash	\$201.44
HyLife Cutout	\$201.44

BoC Rate (Noon) prev. day
 \$1.2637 CAD / \$0.7913 USD

Cash Prices Week Ending

March 6, 2021

Signature 4	187.02/84.83
h@ms Cash	185.02/83.92
HyLife Cash	N/A
HyLife Cutout	N/A
BP4/TCP4	178.23/80.84
OlyWest 2020	183.10/83.05
OlyWest 2021 (Cutout)	197.20/89.45

ISO Weans \$56.62 US Avg.

Feeder Pigs \$87.43 US Avg.

Forward contract prices opened higher this morning. Daily US cash prices are higher to finish the week. The WCB is up \$1.64 USD/cwt and both National variants ('traditional' and cutout-adjusted) are \$0.85 higher relative to the previous day. Weekly base prices continue to show strength, but base prices were inconsistent for week ending March 6. The WCB saw its largest weekly gain going back to September 2020 and at a \$7.13 increase, it has now pushed the weekly reference higher than its National counterpart for the first time since July 2019 and only the eleventh time since 2014. The weekly National base is \$3.50 higher than week ago and the second largest weekly increase so far in 2021; the USDA cutout-formula is \$2.70 higher for marketing week 9. The National cutout-adjusted base softened this week and came in \$0.02 lower than the previous week. Is this a sign of a top, or of things to come? It is much too early to tell at this point, but all indications are that the conditions for further support are still very much present. All daily prices (some of which are used in price discovery for next week) are again higher today suggesting a top is not yet in place. The move is counter seasonal compared to history (not including 2014). Lean hog futures are mixed to finish the week and while prices remain historically high, it appears that the trajectory upward has cooled for now. The steady increase in futures since the middle of January has tapered off in the front months and the nearby trade is consolidating at present levels. Deferreds (December, for example) is still maintaining an upward slope, but it too is leveling off in the present session. Today, futures are approximately 23% higher than 'cash' (National) when values are averaged between April and December and compared to the five-year average benchmark over the same time period.

US soymeal futures opened higher this morning. The March WASDE report will be released on Tuesday, March 9, and more reductions to ending stocks are expected. The February WASDE report pegged ending stocks of US soybeans at 120 million bu. and analysts ahead of the March report are estimating 117 million bu. on average against a range of 110 million and 125 million bushels.

US corn futures opened higher this morning. While new commitments of US corn for export backed off this week, a further reduction to US ending stocks of corn are expected in next Tuesday's WASDE report. Analysts ahead of the March report are estimating a range between 1.300 billion and 1.561 billion bu. with the average at 1.470 billion bu. The February report pegged ending stocks of US corn at 1.502 billion bu.

Forward Range
(at opening)

Apr

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf
Sig 4

190.03
193.28

187.44
198.34

199.68
207.77

205.81
208.22

199.74
209.74

177.27
185.81

174.44
176.80

162.12
170.21

163.02
164.93

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.

2021 District Meetings

Date

Time

Location

Alberta

Wed., March 10

1:00 PM (local time)

Virtual Microsoft Teams Meeting

Saskatchewan

Wed., March 17

1:00 PM (local time)

Virtual Microsoft Teams Meeting

Manitoba

Wed., March 24

2:00 PM (local time)

Virtual Microsoft Teams Meeting