

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 8, 2021

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

US Slaughter

| | |
|------------|-----------|
| 2.563 mil. | Last Week |
| 2.680 mil. | Year Ago |

Daily Prices

| | |
|------------------|---------|
| WCB | \$83.79 |
| National | \$84.61 |
| Nat'l Cutout Adj | \$85.63 |
| Daily Cutout | \$95.14 |

| | |
|---------------|----------|
| Signature 4 | \$190.24 |
| BP4/TCP4 | \$190.24 |
| HyLife Cash | \$201.54 |
| HyLife Cutout | \$203.97 |

BoC Rate (Noon) prev. day
 \$1.2668 CAD / \$0.7894 USD

Cash Prices Week Ending

March 6, 2021

| | |
|-----------------------|--------------|
| Signature 4 | 187.02/84.83 |
| h@ms Cash | 185.02/83.92 |
| HyLife Cash | 185.02/83.92 |
| HyLife Cutout | 199.94/90.69 |
| BP4/TCP4 | 178.23/80.84 |
| OlyWest 2020 | 183.10/83.05 |
| OlyWest 2021 (Cutout) | 197.20/89.45 |

ISO Weans \$54.66 US Avg.

Feeder Pigs \$90.21 US Avg.

Forward contract prices opened higher this morning. Daily US cash prices are mixed to start marketing week number 10 of 2021 with the WCB region coming in \$3.04 USD/cwt lower relative to the previous day and the first time that the market has seen a daily move lower since Friday, February 12. Despite the relatively large daily correction, however, the region is still moving upward and is \$0.47 higher than the previous week's weekly benchmark today. The National region is up by a penny and the National cutout-adjusted base is higher by \$1.03. Weekly slaughter came in at 2.563 million head which is considered only slightly lower than the 2.653 million average seen since the beginning of the year; slaughter pace so far remains trendline with a slight bias lower. Weekly pork production came in at 557 million lb. with year-to-date domestic production 3.8% above year ago levels (pre Covid-19 disruption). Lean hog futures are starting the week off on a choppy note; lean hogs opened lower relative to the Friday session but are showing some signs of strength as of this writing. The bullish tone continues to be a theme and is not really showing signs of structural weakness presently. Strong demand, post-Covid-19 pent up demand expectations, low cold storage inventories, and ideas of supply tightness are all factors today. As well, there is increasing concern that Chinese officials do not yet have control of ASF including new variants that are being detected stemming from illegal vaccines that mutate the virus and apparently make it harder to detect. It is creating a resurgence of bullish export outlooks into the region as well as pushing the expected date of Chinese domestic hog supply recovery further outward.

US soybean futures opened higher this morning. US soybean futures are starting the week off on a higher note with the three front-month contracts trading above \$14.00 USD/bu as of this writing. Weather issues in South America continue to lend support as Brazil remains too wet in some areas and the harvest pace is well-off seasonal average; Argentina remains too dry and images of severely damaged fields are starting to make the rounds on social media, but they are likely the worst cases and in the hardest hit areas.

US corn futures opened lower this morning. US corn futures are seeing some pressure to start the week but consolidating at present levels. The US corn markets has essentially trading in a sideways patten since early February and has not broken outside of recent ranges. There are indeed challenges in South America, but increasing talk that despite the slow pace, harvest pressure is nonetheless still a factor. The USDA will release the March WASDE report tomorrow.

Forward Range
(at opening)

Apr

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf
Sig 4

189.15
192.40

187.69
199.30

200.64
208.73

206.13
209.18

200.92
210.92

178.59
187.14

175.50
177.85

162.77
170.85

163.67
165.58

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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