Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 18, 2021

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

US Slaughter	
494,000	Wednesday
503,000	Year Ago
Daily Prices	
WCB	$88.91
National	$90.16
Nat'l Cutout Adj	$90.72
Daily Cutout	$100.80
Signature 4	$199.47
BP4/TCP4	$199.47
HyLife Cash	$211.67
HyLife Cutout	$212.99
BoC Rate (Noon) prev. day	$1.2465 CAD / $0.8022 USD
Cash Prices Week Ending March 13, 2021	
Signature 4	193.49/87.77
h@ms Cash	191.49/86.86
HyLife Cash	207.17/93.97
HyLife Cutout	209.04/94.82
BP4/TCP4	187.02/84.83
OlyWest 2020	192.40/87.27
OlyWest 2021 (Cutout)	202.10/91.67
ISO Weans $52.23 US Avg.	
Feeder Pigs $90.38 US Avg.	

Forward contract prices opened mixed this morning. *Daily US cash markets are mixed with the negotiated WCB region up $0.63, National $0.59 higher, and the National cutout-adjusted referenced down $0.09 following some daily variability in the net value of the carcass that, while lower on the daily report, is still valued at over $100.00 USD/cwt. The trend remains higher as cash markets discover price amid present supply and demand fundamentals. Another week of steady gains is expected when weekly base pricing is determined later today and reported on Friday. Lean hog futures are mixed but also like cash, the trend remains upward even thought the summer month contracts have all but given up yesterday's gains; only the nearby contract (April) is higher as of this writing. This morning's Export Sales report showed physical deliveries at 40,604 MT, only the second time 40k MT has been reported in 2021, but the value is considered trendline for the year with average shipments at 38,138 MT year-to-date for the reporting period. China was in the number one spot taking 12,700 MT, followed by Mexico (8,900 MT), and Japan (5,200 MT). The year-to-date pace is approximately 89% higher than the five-year average and ~16% higher than 2020 (adjusting for the steep correction in marketing week 10 last year). In terms of new commitments, net forward sales were also considered trendline coming in at 39,717 MT against the 39,562 MT year-to-date average ending March 11. China commitments were a bit soft and pegged at 5,800 MT including a cancellation of 1,200 MT, but some seasonal softness is typical for the region in the post-Lunar New Year holiday period; Mexico took the top position and committed to 18,200 MT for later delivery this year.*

US soymeal futures opened lower this morning. *While China continues to buy US beans, the pace has been recently muted as the country shifts its gaze to South America. New net sales (future commitments) of US beans to all regions came in at 202,406 MT which is the second lowest volume since the beginning of the year and the third lowest for the marketing year. Weekly deliveries are following seasonal trendlines and came in at 534,124 MT which was a marketing year low.*

US corn futures opened lower this morning. *The weekly Export Sales report released this morning shoes a marketing year high for physical deliveries of US corn coming in at 2.199 MMT. Japan, Mexico, and China were top destinations taking approximately 434k MT, 390k MT, and 357k MT, respectively. New net sales came in notably higher than the previous week but 15% lower than the five-year average. China committed to 624,800 MT out of the 985,900 MT total for the reporting period.*

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Maple Leaf Sig 4	202.97 205.62	196.94 208.21	209.76 218.15	214.99 218.59	207.76 218.15	181.36 190.20	178.69 181.12	162.25 169.77	160.92 164.24

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