

# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, March 24, 2021

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

## US Slaughter

476,000 Tuesday  
499,000 Year Ago

## Daily Prices

WCB \$93.10  
National \$92.73  
Nat'l Cutout Adj \$95.20  
Daily Cutout \$105.78  
Signature 4 \$206.77  
BP4/TCP4 \$206.77  
HyLife Cash \$218.73  
HyLife Cutout \$224.55

**BoC Rate (Noon) prev. day**  
\$1.2562 CAD / \$0.7961 USD

## Cash Prices Week Ending

March 20, 2021

Signature 4 198.23/89.92  
h@ms Cash 196.23/89.01  
HyLife Cash 211.86/96.10  
HyLife Cutout 217.45/98.63  
BP4/TCP4 193.49/87.77  
OlyWest 2020 200.00/90.72  
OlyWest 2021 (Cutout) 209.60/95.07

ISO Weans \$48.63 US Avg.

Feeder Pigs \$84.53 US Avg.

**Forward contract prices opened higher this morning.** Daily US cash markets continue to climb higher with the negotiated WCB region up \$0.06 USD/cwt, National \$0.41 higher, and the National cutout-adjusted base up \$2.27 relative to the previous day. The one-day move in the National cutout-adjusted price now places the region at the highest values since 2014, outpacing the summer 2017 highs for the first time when compared against the weekly base pricing. The weekly value, when determined later this week, will likely come in at or near 2017 levels, but the move is notable, nonetheless. Cutout values remain strong and while the current pace is ~19% below 2014 levels, the net value of the carcass remains amid all time highs when 2014 is excluded; only 2020 values (when Covid-19 plant disruptions ushered in exceptional price volatility) are presently higher. The extent to which cutout and live hog pricing remains on its current trajectory very much remains to be seen, but almost no market watchers, including ourselves, expect the usual post-Easter softness to develop like it typically has in other years, and if it does, likely not to the same degree. As cold storage inventories continue to be rebuilt, export demand remains strong, and supplies remain tight, cash markets have no real rationale to back off from present levels. Lean hog futures gapped higher at the open and all summer month contracts are once again trading above \$100.00 USD/cwt as of this writing. Futures remain optimistic on strong demand, tight supplies, and a vaccine rollout in the USA which is progressing much more rapidly than in other areas of the world. Some speculation on 'pent-up' demand that has built up during Covid-19 restrictions is also in part a component in the current futures pricing activity.

**US soybean futures opened higher this morning.** 'Green on the screen' once again for US soybean futures, but the move is keeping within the recently established range. The market will be watching tomorrow's Export Sales report for more clues on direction as well as the Planting Intentions and Grains Stocks reports coming out at the end of the month. China has backed off on US bean purchases in recent export reports where the pace is more seasonal in nature. The US balance sheet remains tight, however, and any indication of a reduction in supplies (weather and planting intentions) or firming demand will be considered supportive.

**US corn futures opened lower this morning.** Some softness is developing in US corn futures this morning as the market trades in a sideways pattern. Like beans, traders are looking to the Export Sales report for more clues on direction as well as the Planting Intentions and Grain Stocks documents on March 31. While not completely related to the US corn trade, in other news, a large container ship has run aground in the Suez Canal, one of the busiest in the world, and it could be days before traffic returns to normal. The ship has not yet been refloated and the canal is completely blocked. Global energy markets will likely see short term ripple effects from the disruption.

Forward Range  
(at opening)

Apr May Jun Jul Aug Sept Oct Nov Dec

Maple Leaf  
Sig 4

211.11 200.89 213.61 217.56 209.26 183.11 180.26 163.34 161.78  
212.27 222.09 222.53 219.52 192.04 182.71 170.71 165.35

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