

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, April 1, 2021

For details call: (204)235-2237 or visit  
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<b>US Slaughter</b>	
492,000	Wednesday
476,000	Year Ago
<b>Daily Prices</b>	
WCB	\$98.46
National	\$97.23
Nat'l Cutout Adj	\$98.07
Daily Cutout	\$108.97
Signature 4	\$217.25
BP4/TCP4	\$217.25
HyLife Cash	\$231.74
HyLife Cutout	\$233.51
<b>BoC Rate (Noon) prev. day</b> \$1.2575 CAD / \$0.7952 USD	
<b>Cash Prices Week Ending</b> <b>March 27, 2021</b>	
Signature 4	206.33/93.59
h@ms Cash	204.33/92.68
HyLife Cash	221.16/100.32
HyLife Cutout	228.37/103.59
BP4/TCP4	198.23/89.92
OlyWest 2020	206.20/93.53
OlyWest 2021 (Cutout)	216.80/98.34
ISO Weans \$51.58 US Avg.	
Feeder Pigs \$97.44 US Avg.	

**Forward contract prices opened higher this morning.** US cash markets are mixed on the last data day in this holiday shortened week with the negotiated WCB region \$0.14 USD/cwt higher, the National region down \$0.88, and the National cutout-adjusted reference price \$0.14 lower relative to the previous day. The psychological \$100.00 USD/cwt level will not be reached this week and it very much remains to be seen if the present trajectory upward will be maintained. Fundamental set-ups remain supportive for now with the combination of tight supplies and robust demand. On that note, the USDA released the weekly Export Sales report this morning which showed the export disappearance channel remains strong. Physical deliveries for week ending March 25 are maintaining their strong pace and remain 'trendline' for 2021. The 40,404 MT recorded for the reporting period was third highest level seen so far this year. New net sales were exceptionally strong, coming in ~58% higher than the previous reporting week and notably higher than the five-year average. They were also 58% higher than 2020. The 61,009 MT is the highest committed volume since the first marketing week in October last year and only the seventh time the 60,000 MT level has been eclipsed on record since the USDA started utilizing the current reporting format in 2013. China committed to 29,700 MT or ~49% while Mexico took a respectable 15,800 MT representing ~26% of the total. Lean hog futures are higher this morning, but despite the very positive Export Sales report, the market has been a bit more muted in its response and has backed off the early morning highs as of this writing. Regardless, new contract closing highs could once again be reached in the session, and futures continue to be very optimistic out to the end of the year. Please note h@ms Marketing Services will be closed for Good Friday tomorrow. The office will be open on Monday, April 5.

**US soymeal futures opened mixed this morning.** While the weekly Export Sales report was released before trading this morning, the market's current strength is a function of the Quarterly Grain Stocks and Prospective Plantings reports released yesterday. Stocks came in near expectations but futures trade limit up yesterday following the release of the acreage numbers that showed 87.6 million acres of beans are currently expected. The USDA number was 2.4 million acres lower than the average trade pre-report estimate. The market is technically 'mixed' relative to the previous day, but only because of the exceptional strength seen in the previous session.

**US corn futures opened higher this morning.** Like beans, US corn futures traded limit up yesterday when the acreage report showed 91.14 million acres, or 2 million less acres relative to the average pre-report estimates. Futures have since backed off from the tack higher but are still 'up' relative to the previous session and will attain new contract closing highs out to the September contract if the present values hold.

Forward Range (at opening)	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Maple Leaf Sig 4	209.94 221.32	222.66 231.14	225.74 231.59	215.59 225.85	186.58 195.50	183.65 186.11	165.80 173.16	164.24 167.81

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## **h@ms Marketing Services will be closed**

Friday, April 2 for Good Friday. Markets are closed. Forward contracting will be suspended and the HMO and Opening Price information will not be published.

Operations resume on Monday, April 5.