

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, April 15, 2021

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

## US Slaughter

480,000 Wednesday  
435,000 Year Ago

## Daily Prices

WCB	\$102.92
National	\$100.90
Nat'l Cutout Adj	\$100.90
Daily Cutout	\$110.09
Signature 4	\$224.47
BP4/TCP4	\$224.47
HyLife Cash	\$238.78
HyLife Cutout	\$238.78

**BoC Rate (Noon) prev. day**  
\$1.2533 CAD / \$0.7979 USD

## Cash Prices Week Ending

April 10, 2021

Signature 4	219.63/99.62
h@ms Cash	217.63/98.72
HyLife Cash	233.93/106.11
HyLife Cutout	236.07/107.08
BP4/TCP4	216.21/98.07
OlyWest 2020	224.90/102.01
OlyWest 2021 (Cutout)	233.00/105.69

ISO Weans \$49.18 US Avg.

Feeder Pigs \$98.72 US Avg.

**Forward contract prices opened lower this morning.** Daily US cash markets are mixed but all regional base prices are above \$100.00 USD/cwt. for the first time since the 2014 marketing year. The WCB and National regions were up by \$0.40 and \$1.03, respectively, relative to the previous marketing day but the National cutout-adjusted came in \$0.34 lower as the daily values that make up the carcass continue to see variability. Many primals are seeing ongoing strength (ribs for example), others are maintaining present value (hams, butts, loins, and pic-nics), while bellies are starting to show some signs of weakness. In any event, the daily net value of the carcass has seen some softening in recent days especially when the cuts that make up the majority of the value of the carcass (hams, loins, bellies ~66%) move lower together. Lean hog futures gapped lower at the open and many contracts are presently locked limit low as of this writing. This morning's Export Sales report is likely the spark behind the move. While physical deliveries came in amid the recent trendline (38,573 MT) and about 1% higher than 2020 levels, deliveries just represent the taking of previous commitments which are hovering around record levels. New net sales, a proxy for future deliveries/demand, were 17,229 MT or 52% lower than the five-year average and 69% lower than 2020. China only took 3,300 MT which is well-off the pace and at first a bit odd considering reports of the worsening ASF situation in the region. However, the historical, monthly export profile shows China to be a very inconsistent customer. Analysts have been opining for a while that if softness develops in export markets, it could trigger some softness in the futures as well. One 'poor' Export Sales report does not imply a trend, and the market will be looking toward the next one for clues on direction. In the meantime, market watchers will be looking very closely to see if today's session is merely a short-term corrective action or if there is follow-through selling tomorrow.

**US soymeal futures opened higher this morning.** This morning's Export Sales report showed physical deliveries of US soybeans to maintain the seasonal trend for this time of year which is to say relatively weak. The 413,107 MT of beans shipped were 20% higher than week-ago, but still at the lower end of the range and 30% lower than the five-year average for the reporting period. New net sales were likewise at the lower end of the historical ranges and at 90,448 MT, were notably lower than the averages.

**US corn futures opened mixed this morning.** US corn continues to ship at a brisk pace and while the 1.816 MMT volume was 12% lower than the previous week, it is still amid record levels and 55% higher than the five-year average. Net sales were notably lower than the previous reporting period and at the lowest level for the marketing week. The 327,741 in new commitments is 57% lower than the five-year average.

Forward Range  
(at opening)

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf  
Sig 4

210.32  
220.53

221.87  
230.30

222.23  
230.75

208.35  
218.56

184.77  
193.65

181.89  
184.33

167.50  
174.83

165.95  
169.50

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STRENGTH IN NUMBERS

