

# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, June 8, 2021

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

## US Slaughter

483,000	Monday
445,000	Year Ago

## Daily Prices

WCB	\$115.53
National	\$113.17
Nat'l Cutout Adj	\$120.67
Daily Cutout	\$134.73
Signature 4	\$242.51
BP4/TCP4	\$242.51
HyLife Cash	\$257.77
HyLife Cutout	\$274.86

**BoC Rate (Noon) prev. day**  
\$1.2073 CAD / \$0.8283 USD

## Cash Prices Week Ending

June 5, 2021

Signature 4	238.50/113.06
h@ms Cash	236.50/107.28
HyLife Cash	253.47/114.97
HyLife Cutout	265.11/120.25
BP4/TCP4	233.70/106.01
OlyWest 2020	245.90/111.54
OlyWest 2021 (Cutout)	254.90/115.62

ISO Weans \$45.19 US Avg.

Feeder Pigs \$72.39 US Avg.

**Forward contract prices opened mixed this morning.** Daily US cash markets continue to climb with the negotiated WCB region up \$0.20 and both National variants \$1.42 USD/cwt higher relative to the previous day. Cash markets have a bit to go before making new all-time highs (2014 reached over \$130), but the trend remains firmly higher in the National-based formula regions and new highs cannot be ruled out. Exceptional demand from all channels is a feature of the current marketing environment which sees restaurant and foodservice buyers competing with retail who are also competing with exporters to secure supplies. The net result is a packing industry that is eager to ensure pork products for their various customers with no signs of slowing and no cash top in place. Lean hog futures are mixed in the morning session that saw some strength at the open but have turned lower as of this writing. Of course, 'lower' is a relative term for a market that has seen new contract highs being reached in recent days. Like cash, futures have not yet eclipsed 2014 that nudged over \$134 USD/cwt in July of that year (July contract). Regardless, futures remain notably optimistic on hog values out to the end of the year and currently hold a 50% premium to the average cash history which is used as a benchmark to determine relative value. The 2022 futures currently hold a 25% premium to the cash history indicating a shift in market sentiment further out, but comparatively speaking, the 25% premium is still very good value.

**\*\*Correction:** Yesterday's comments noted the weekly slaughter for week ending June 5 was 2.453 million head, which was incorrect. Last week's kill was in fact estimated at 1.975 million head (correctly published in the table), a 17% reduction compared to the previous week, but entirely consistent with a holiday shortened week despite large Saturday processing.

**US soybean futures opened higher this morning.** Hot dry weather continues to support the US soybean market as the vast majority of the crop is in the ground and desperately needing some timely rain. Crop progress as of Sunday was estimated at 90% complete versus a market expectation of 92%; the five-year average is 79%. Emerged soybeans were pegged at 76% compared to 59% normally seen at this time. 67% of the crop is considered to be in good/excellent condition compared to 72% last year.

**US corn futures opened higher this morning.** The Crop Progress report no longer publishes a 'planted' number as the crop is now considered planted. Emerged corn is estimated at 90% compared to the 82% five-year average. Analysts estimates ahead of the weekly report expected a 72%-75% good/excellent crop rating that came in at the lower number of the range and a 4% reduction from week-ago. All crops will need moisture in order to keep the good/excellent rating from falling.

Forward Range  
(at opening)

Jul

Aug

Sept

Oct

Nov

Dec

Jan

Feb

Maple Leaf  
Sig 4

252.44  
255.23

242.35  
253.73

202.68  
211.06

198.01  
202.09

182.37  
191.39

181.08  
184.30

176.05  
187.00

189.36  
189.36

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STRENGTH IN NUMBERS

