

# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, June 14, 2021

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

## US Slaughter

2.440 mil.	Last Week
2.464.mil.	Year Ago

## Daily Prices

WCB	\$130.41
National	\$116.88
Nat'l Cutout Adj	\$119.29
Daily Cutout	\$132.54
Signature 4	\$252.03
BP4/TCP4	\$252.03
HyLife Cash	\$266.46
HyLife Cutout	\$271.94

**BoC Rate (Noon) prev. day**  
\$1.2148 CAD / \$0.8232 USD

## Cash Prices Week Ending

June 12, 2021

Signature 4	244.41/110.86
h@ms Cash	242.41/109.96
HyLife Cash	261.88/118.79
HyLife Cutout	274.77/124.63
BP4/TCP4	238.50/108.18
OlyWest 2020	251.80/114.22
OlyWest 2021 (Cutout)	262.40/119.02

ISO Weans \$44.33 US Avg.

Feeder Pigs \$70.64 US Avg.

**Forward contract prices opened mixed this morning.** Daily US cash markets are mixed to start the week with WCB and National regions once again higher while the National cutout-adjusted formula base is lower following some daily variability in the net value of the carcass. At \$130.41, the WCB is sharply higher, and the daily value is only 39 cents (USD/cwt) away from the 2014 record (weekly). Demand remains exceptional. Primal values remain amid the highs, however, and the weekly average value for all cuts once again came in higher (2.9%) relative to the previous weekly reporting period; the weekly price for marketing week 23 was only \$1.98 USD/cwt lower than the high seen in July of 2014. While the daily value is \$1.59 lower than the weekly benchmark, there are still a lot of days left in the reporting period and it is entirely possible that 2014 levels could be eclipsed this week. However, there is some variability between the individual primals; loins, butts, picnics, and bellies are up, while ribs and hams are down week over week. Although ribs do not make a large contribution to the net value of the carcass, the cut is sharply down, albeit still residing at record levels. Weekly slaughter levels remain seasonal, relatively speaking with a large Saturday kill two weeks ago and a large weekly increase following the holiday shortened week. Saturday volume returned more or less to a seasonal normal last week and the 2.440 million head processed during the week was essentially equal with 2019 volumes (+0.03%). Lean hog futures are starting the week off on a lower note but the early commentary is suggesting the current pull-back could just be some interim 'corrective' behaviour as opposed to a larger trend reversal. The extent to which a 'top' is presently being defined very much remains to be seen, however, as corrective moves in April and May were followed up with new contract highs later in their respective months. Demand outlooks for all channels continues to be very optimistic.

**US soymeal futures opened lower this morning.** Extended forecasts look to see some moisture on the way that could develop in the latter part of the outlook. There is lots of commentary on the status of the current crop that usually reflects an 'if we don't get some rain soon, we'll be in trouble' tone, but futures markets are nonetheless trading lower this morning on ideas that rain is indeed on the way. The nearby futures contract is now under \$15.00 USD/bu, the first time since April 22.

**US corn futures opened lower this morning.** Like beans, US corn futures are lower on ideas that forecast moisture might arrive just in time. There is at least one analyst opining that due to the current growing conditions, the largest potential production volumes at current acreage will not be realized. Ongoing, strong demand and a relatively tight balance sheet remain supportive.

Forward Range  
(at opening)

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig 4	241.50 241.93	230.95 242.36	198.57 206.97	193.90 198.00	180.87 189.70	179.37 182.60	174.40 185.20	186.71 188.66	180.78 184.01

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STRENGTH IN NUMBERS

