

Hog Margin Worksheet



September 18, 2020

Annual Targeted Margin
\$10.00

Target weight:	280
Yield	75.0%
Hog Basis	(\$0.37)

Corn	Meal	DDG
\$3.63	\$336.70	\$130.00
464	94	111

All expense minus corn,ddg and meal
\$91.00 per head

Oct '20-Jan '21	\$65.53	\$0.92	\$66.45	\$68.43	\$3.56	\$341.00	\$68.44	\$1.93	(\$4.18)
Feb '21 -May '21	\$72.94	(\$3.33)	\$69.61	\$76.68	\$3.65	\$337.10	\$68.72	\$9.72	\$1.88
June '21- Sept '21	\$75.77	\$1.29	\$77.06	\$76.13	\$3.67	\$332.00	\$68.67	\$18.35	\$17.60
12 month average	\$71.41	(\$0.37)	\$71.04	\$73.75	\$3.63	\$336.70	\$68.61	\$10.00	\$5.10
	per cwt.	per cwt.	per cwt.	per cwt.	per bu.	per ton	per cwt.	per head	per head
	TODAY'S CME PRICE	HOG BASIS	TODAYS CASH HOG PRICE	TODAYS TARGET	TODAYS EST CASH CORN PRICE	TODAYS EST CASH MEAL PRICE	COST OF PRODUCTION	HISTORIC TARGET	MARGIN PER PIG GIVEN TODAY'S HOG,CORN,DDG AND MEAL PRICE

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 Trading commodity futures and options involves substantial risk of loss and may not be suitable for everyone.

Our hogmargin sheet was developed for the investor type hog owner. We isolate the three biggest inputs for the producer, corn, soybean meal, and DDGS. The model calculates a crush margin using current market numbers over a 12 month period time. By doing this we are able to look out well into the coming year and see our margin opportunities, letting market volatility work for us. We account for basis in hogs, corn and soybean meal. The hog basis used is formed from past history while corn basis represents our bias on the upcoming year. Along with corn, soybean meal, and DDGs we factor in a \$91 all other expense cost. This includes a \$40 Isowean, \$19 for Yardage, and \$19 other feed cost. Our model is made to show a hog producer the current hog crush at any time using current markets. To objectively account for the seasonal trends of the hog market we have targeted margins for each delivery month for the next 12 months.

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September 18, 2020

Target weight:	280
Yield	75%
Annual Targeted Margin	
	\$10.00

All expense minus corn,ddg and meal		
\$91.00 per head		
DDG	Corn	Meal
\$130.00	\$3.63	\$336.70
111	464	94
lbs		
(\$0.37) basis		



Hog Variable Costs:

Isowean	\$40
Yardage	\$19
Vet	\$4
Trucking	\$3
Interest	\$2
Insurance	\$1
Misc	\$3
Other Feed	\$19

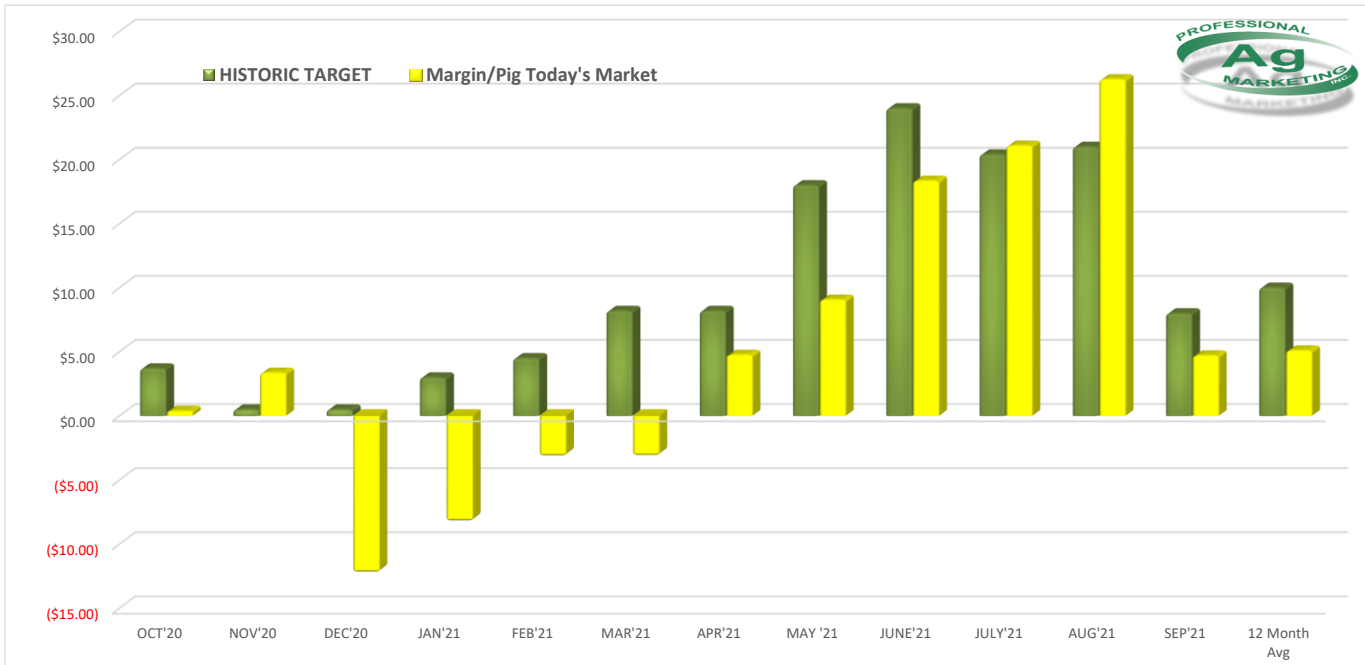
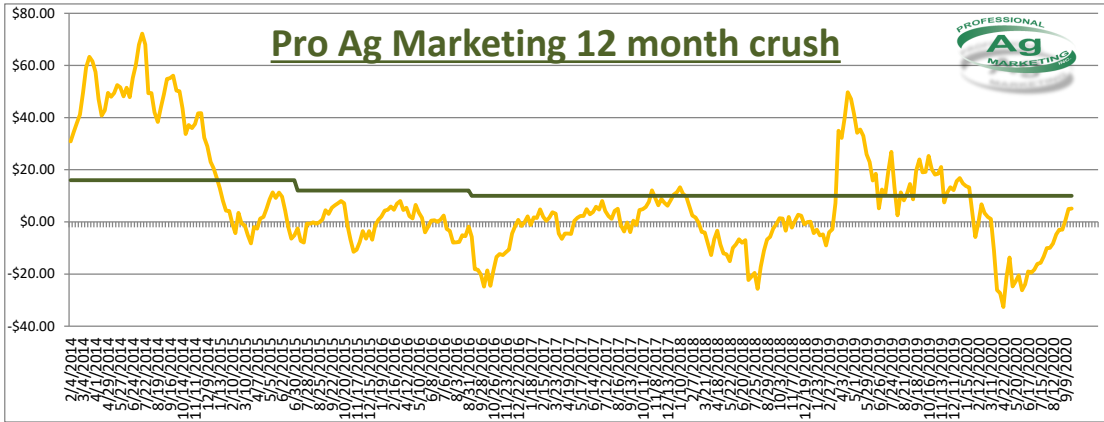
	\$91.00

	Today's CME Price	Hog Basis	Estimate Cash w/ Basis	Today's Target	Corn Price	Meal Price	Cost of Production	Historic Target	Margin/Pig Today's Market
OCT'20	\$66.50	1.95	\$68.45	\$68.08	\$3.54	\$337.40	\$68.27	\$3.70	\$0.38
NOV'20	\$63.53	6.45	\$69.98	\$62.16	\$3.54	\$342.10	\$68.37	\$0.50	\$3.36
DEC'20	\$63.53	(0.98)	\$62.55	\$69.59	\$3.54	\$342.10	\$68.37	\$0.50	(\$12.24)
JAN'21	\$68.55	(3.74)	\$64.81	\$73.90	\$3.63	\$342.40	\$68.74	\$3.00	(\$8.24)
FEB'21	\$68.55	(1.40)	\$67.15	\$72.20	\$3.63	\$339.10	\$68.66	\$4.50	(\$3.17)
MAR'21	\$71.63	(4.46)	\$67.17	\$77.02	\$3.63	\$339.10	\$68.66	\$8.19	(\$3.14)
APR'21	\$71.63	(0.58)	\$71.05	\$73.26	\$3.68	\$335.10	\$68.78	\$8.19	\$4.76
MAY '21	\$79.98	(6.88)	\$73.10	\$84.23	\$3.68	\$335.10	\$68.78	\$18.00	\$9.06
JUNE'21	\$79.98	(2.37)	\$77.61	\$82.67	\$3.71	\$334.30	\$68.87	\$24.00	\$18.34
JULY'21	\$79.75	(0.84)	\$78.91	\$79.42	\$3.71	\$334.30	\$68.87	\$20.40	\$21.09
AUG'21	\$78.38	2.66	\$81.04	\$75.87	\$3.63	\$331.80	\$68.53	\$21.00	\$26.27
SEP'21	\$64.98	5.70	\$70.68	\$66.54	\$3.63	\$327.60	\$68.43	\$8.00	\$4.71
12 Month Avg	\$71.41	(\$0.37)	\$71.04	\$73.75	\$3.63	\$336.70	\$68.61	\$10.00	\$5.10
	per cwt.	per cwt.	per cwt.	per cwt.	per bu.	per ton	per cwt.	per head	per head

Futures Prices		Corn Basis
Dec '20 corn	\$3.79	
Mar '21 corn	\$3.88	(\$0.25) JAN
May '21 corn	\$3.93	(\$0.25) FEB
July '21 corn	\$3.96	(\$0.25) MAR
Sept '21 corn	\$3.88	(\$0.25) APR
Dec '21 corn	\$3.93	(\$0.25) MAY
Oct '20 Meal	\$337.40	(\$0.25) JUNE
Dec '20 Meal	\$342.10	(\$0.25) JULY
Jan '21 Meal	\$342.40	(\$0.25) AUG
Mar '21 Meal	\$339.10	(\$0.25) SEP
May '21 Meal	\$335.10	(\$0.25) OCT
July '21 Meal	\$334.30	(\$0.25) NOV
Aug '21 Meal	\$331.80	(\$0.25) DEC
Sept '21 Meal	\$327.60	

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