



# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, July 26, 2016

For details call: (204)235-2237 or visit

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Hog Prices: ↑ ↓ Soymeal: ↑  
Corn: ↓ CDN Dollar: ↓

US Slaughter	
429,000	Monday
417,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$69.12
National	\$77.18
Iowa/S. MN.	\$69.22
Signature 3	\$167.56
HyLife	\$179.00
TCP/Britco	\$167.42
Sig 3 4-Month Fwd.	\$ 137.90
<b>BoC Rate (Noon) prev. day</b> \$1.3225 CAD / \$0.7561 USD	
Cash Prices Week Ending July 23, 2016	
Signature 3	171.68/77.87
h@ms Cash	170.18/77.19
HyLife	180.62/81.93
TCP/Britco	178.60/81.01
ISO Weans	\$ 21.62 US Avg.
Feeder Pigs	\$ 33.57 US Avg.
#1 Export Sows (+500lbs.)	\$38.50/cwt. (Tagged)

**Forward contract prices opened mixed this morning.** US cash markets continued their decline, with packers cutting their cash bids by about \$0.80/cwt in trade yesterday. The bearish trend started a month ago at the release of the June Hogs and Pigs report and has now lost about 16% of its value. Packers have been able to double their gross operating margins and are operating with near record profitability for this time of year due to strong prices for wholesale pork which have avoided any decline over the last month. The August Lean Hog futures are factoring in a stabilizing trend over the next 3 weeks, after which prices are expected to drop about \$1.25/cwt per week for the following 8 weeks. Winter month forward contract prices recovered some value in trade yesterday, with a bounce in the December futures and a decline in the Canadian Dollar to its lowest level in 3 months. Producers should consider this recent rally a good pricing opportunity, as the 2.5% increase in hog supply that is anticipated for the Nov- Feb timeframe could take Canadian cash hog prices to the lowest level in 6 years.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex traded lower in the overnight session following yesterday's crop condition and progress report, but the market has recovered some of that value this morning. The USDA rated the crop 71% Good/Excellent, the same as last week but 9% higher than year ago levels. Timely and widespread rains combined with a favorable forecast continues to put pressure on soybeans and meal, despite better than expected export sale announcements.

**US corn futures opened lower this morning.** Corn futures are hovering just over contract lows, with yesterday's positive crop conditions report likely to provide the rationale for another contract low for new crop corn. While the percentage of the crop that was rated Good/Excellent was held constant at 76%, the crop is moving through its critical pollination phase and 13% of the US crop is already filling kernels.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3			145.24 154.33	144.62 145.83	121.77 138.12	123.58 129.64	129.11 137.58	140.00 141.21	144.48 144.48	145.09 156.53	159.67 170.56
Soymeal Wpg Delivered	507	507	509	504	502	502					
Corn	Local delivered price available on request										

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WINNIPEG LIVESTOCK  
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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