



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, July 27, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
424,000	Tuesday
421,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$68.44
National	\$76.31
Iowa/S. MN.	\$68.52
Signature 3	\$165.71
HyLife	\$177.63
TCP/Britco	\$165.53
Sig 3 4-Month Fwd.	\$ 136.42
BoC Rate (Noon) prev. day \$1.3209 CAD / \$0.7571 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 were down yesterday, with abundant supplies providing packers with the rationale to maintain the lower trend. Regional cash prices have dropped to their lowest level since late-April, as packers have been hesitant to add hours to their production schedule, fearful they would be caught holding inventory in a weaker product market. That fear became a reality in yesterday's wholesale pork trade when the pork cut-out dropped about \$2.50/cwt, with all primal cuts reporting declines. A decline in product values at a time when hog supplies should be at their tightest for the year does not bode well for the coming 2 months when hog numbers are expected to jump by 10%. Lean Hog futures are seeing heavy influence from the bearish cash market with the fall and winter contracts erasing recent gains made earlier this week. Producers without price protection in the Nov – Feb timeframe should consider covering 50% of the intended production at current prices.

Canadian delivered soymeal prices opened higher this morning. Overnight trade gained 1% – 2% as it started factoring in the possibility of hotter, drier weather over the next 10 days, which could negatively impact the yield potential of beans. The trade has already priced in a record sized crop, so any threat to this narrative could fuel gains in both beans and meal. The lower prices have reportedly helped draw out increased foreign demand which is contributing to this morning's gains.

US corn futures opened higher this morning. Corn futures are following the same direction, although risk to the corn crop is diminished by the US crop having already moved through the pollination phase of production. Firm demand from domestic buyers due to record large livestock production is also contributing to the support that has led to this recent recovery.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3			143.35 152.41	142.67 143.88	120.82 137.12	122.63 128.67	128.06 136.51	138.93 140.14	144.49 144.49	145.09 156.51	160.37 171.24
Soymeal Wpg Delivered	513	513	516	513	512	512					
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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