



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, July 28, 2016

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

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

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

US Slaughter	
433,000	Wednesday
435,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$68.25
National	\$75.66
Iowa/S. MN.	\$68.28
Signature 3	\$165.39
HyLife	\$175.90
TCP/Britco	\$165.09
Sig 3 4-Month Fwd.	\$ 128.97
BoC Rate (Noon) prev. day \$1.3220 CAD / \$0.7564 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 lower this morning.** US cash markets were slightly lower in yesterday's trade, but appeared quite resilient against the collapsing wholesale pork prices. The carcass cut-out dropped another \$4.00/cwt yesterday, after the previous day's decline of \$2.50/cwt. While all cuts are down, pork bellies have lost 20% of their value in the last two days, while ribs have dropped the same over the last 3 weeks. Packers were dealing with record large operating margins as they have consistently dropped their cash bids for hogs over the last month, almost anticipating the weakness. In response to the poor wholesale pork prices, Lean Hog futures lost faith that cash markets would stabilize, resulting in losses in all contracts of more than \$2.00/cwt at yesterday's close. While we may see a slight bounce in prices before the end of the week, the market is unlikely to recover to levels seen just a few weeks ago due to the expectation of heavy supplies coming in about a month and a wholesale pork trade that is already struggling to maintain its summertime support.

**Canadian delivered soymeal prices opened lower this morning.** A change in the weather forecast suggesting a higher likelihood of hot, dry weather provided the fundamental rationale behind the recent support. While traders are still factoring in above trend yields, weather over the next 2 weeks is critical during the pod setting and filling phases.

**US corn futures opened lower this morning.** Corn futures is largely following the direction of soybeans, but with most of the US crop through the critical pollination phase, further gains are likely to be limited. In addition, recent weakness in wheat may also slow the gains as wheat harvest is well underway and yields are being reported as near to or above average for the Northern Plains.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3			135.44 144.48	134.83 136.07	113.83 130.12	115.64 121.67	120.95 129.38	131.79 132.99	137.32 137.32	137.93 149.99	154.71 165.59
Soymeal Wpg Delivered	511	511	515	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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