



Hog Margin Outlook

Meeting Your Marketing Needs

Friday, July 29, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
412,000	Thursday
424,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$67.15
National	\$75.13
Iowa/S. MN.	\$67.17
Signature 3	\$162.10
HyLife	\$174.81
TCP/Britco	\$161.79
Sig 3 4-Month Fwd.	\$ 129.96
BoC Rate (Noon) prev. day \$1.3170 CAD / \$0.7593 USD	
Cash Prices Week Ending July 30, 2016	
Signature 3	165.94/75.27
h@ms Cash	164.44/74.59
HyLife	176.84/80.21
TCP/Britco	170.70/77.43
ISO Weans	\$ 21.62 US Avg.
Feeder Pigs	\$ 33.57 US Avg.
#1 Export Sows (+500lbs.) \$38.50/cwt. (Tagged)	

Forward contract prices opened higher this morning. US cash markets moved lower again in yesterday's trade, losing more than \$1.00/cwt as the pork carcass cut-out provided the bearish rationale. Ham and Belly prices have collapsed, with the primal cuts losing 15% and 25% of their value so far this week. It appears that market participants have given up on the idea of seasonal support, which likely led packers to clear their inventory or buyers to step away from the market in the short term. The weekly export report provided little evidence of support coming from sales abroad with last week's volume of sales to China and Mexico dropping to their lowest level in weeks at a time when expectations were for growth. All of this has been too much for Lean Hog futures to ignore, with all offered contracts losing value and posting new contract lows. This week's losses amounted to a 10% drop in forward prices, with a recent rally in the Canadian Dollar contributing to the bearish trend. Producers that have not yet covered a portion of their fall and winter production are still encouraged to price up to half of their Nov-Feb production at current prices to avoid the full effects of a ballooning supply.

Canadian delivered soymeal prices opened lower this morning. The soybean complex has found support at current price levels after the funds sold a significant portion of their net long position. While conditions still favor a record large crop, there is reason to believe that export sales will pick up and offset the expected increase in production. Further to this on the demand side, Soybean meal is being supported by ideas of record large hog numbers beginning this fall and winter.

US corn futures opened higher this morning. Corn futures are trading higher this morning, with technical analysis suggesting a firm support at current levels. Traders focused on the fundamentals can rationalize this through concerns of high temperatures in the coming two weeks impacting the kernel filling phase of production.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3			136.15 145.15	135.50 136.70	115.23 131.42	115.64 121.67	122.07 130.46	132.86 134.06	138.21 138.21	138.80 150.91	156.01 166.86
Soymeal Wpg Delivered	505	505	508	506	504	504					
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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