



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, August 16, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
425,000	Monday
425,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$64.67
National	\$67.94
Iowa/S. MN.	\$65.12
Signature 3	\$153.18
HyLife	\$154.78
TCP/Britco	\$153.90
Sig 3 4-Month Fwd.	\$126.30
BoC Rate (Noon) prev. day \$1.2922 CAD / \$0.7739 USD	
Cash Prices Week Ending August 13, 2016	
Signature 3	150.85/68.43
h@ms Cash	149.35/67.74
HyLife	160.33/72.73
TCP/Britco	156.90/71.17
ISO Weans	\$20.72 US Avg.
Feeder Pigs	\$29.70 US Avg.
#1 Export Sows (+500lbs.)	\$52.00/cwt. (Tagged)

Forward contract prices opened mostly higher this morning.

US cash markets continue to redefine themselves with ISM and WCB reporting regions moving higher while the National region was lower relative to the previous day. Cutout values last Friday were the lowest since February, but have regained some value; carcass value was up Monday by \$1.42 USD/cwt. led by bellies which were \$7.25 USD/cwt. higher. Lean hog futures made a move higher yesterday and the nearby contracts continue to show some strength, potentially reacting to the news coming from Russia that some herd culling has taken place in an attempt to contain the spread of African Swine Fever (ASF) in the country. The extent of the damage on global supply remains to be seen, but market participants can likely expect some strength to return to the futures markets as long as the uncertainty continues around how animals in the Eurasian region move (or do not move) and who, if anyone, needs to pick up the slack. The action also supports the idea that traders had some rationale to resume buying amid the lows observing the wide spread between the cash market and the nearby (October) futures contract.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures saw strength return to the market, following a bearish WASDE report on Friday that showed the largest production estimates in US history (first time over 4 billion bu.). The strength falls on the heels of reports that demand for US beans is strong evinced by solid export numbers that continue to mount. However, the market is trading lower this morning on cooperative weather and an unchanged crop progress report (72% good/ excellent condition) when a slight downgrade to the crop was expected.

US corn futures opened lower this morning. Like beans, US corn futures have turned once again lower following some brief support yesterday. Unlike beans, strength in corn futures yesterday was in part a function of a lowering US dollar, potentially making US commodities more competitive resulting in residual strength for the corn trade. However, the market has been unable to shake the bearish tone, exacerbated by Friday's bearish WASDE report that showed the first time over 15 billion bu. of production in US history are estimated.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3			138.46 139.63	115.39 131.28	117.16 123.04	119.13 127.38	132.10 133.28	133.99 135.17	138.12 150.79	152.52 165.52	161.97 169.65
Soymeal Wpg Delivered	481	481	477	474	474	470					
Corn	Local delivered price available on request										

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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