



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, September 28, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
440,000	Tuesday
428,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$50.27
National	\$60.03
Iowa/S. MN.	\$50.34
Signature 3	\$122.07
HyLife	\$139.44
TCP/Britco	\$121.97
Sig 3 4-Month Fwd.	\$101.12
BoC Rate (Noon) prev. day \$1.3248 CAD / \$0.7548 USD	
Cash Prices Week Ending September 24, 2016	
Signature 3	127.45/57.81
h@ms Cash	125.95/57.13
HyLife	144.66/65.62
TCP/Britco	134.90/61.19
ISO Weans	\$15.99 US Avg.
Feeder Pigs	\$28.58 US Avg.
#1 Export Sows (+500lbs.)	\$33.00/cwt. (Tagged)

Forward contract prices opened lower this morning. US cash markets were lower again in yesterday's trade, with some regional prices breaking through the benchmark \$50/cwt price level. Packer bids are less than \$1.00/cwt away from the lowest of the year, and most anticipate the largest hog supply to not come for another 2 months. Last week's slaughter of 2.466 million hogs was the 3rd largest on record, which shocked traders and has contributed to the latest weakness in Lean Hog futures. Most analysts would agree that the likelihood of a '1998' type price collapse resulting from the hog supply exceeding slaughter capacity has increased after last week's results. This only puts more emphasis on the results of this Friday's Hogs and Pigs report, which could prove to be the most significant in several years in terms of market impact. Lean Hog futures are finding some support this morning after a sharp selloff in yesterday's trade. The December contract hit the lowest level in 7 years and threatens to move lower as selling pressure mounts on supply concerns.

Canadian delivered soymeal prices opened higher this morning. Harvest selling continues in the soybean complex, with prices threatening to break through established support levels. Yields and harvest progress are both contributing to the weakness, as the market reflects an increase to projected production. On the demand side, domestic meal prices have been under pressure from weaker livestock markets and soybean exports to China appear more uncertain.

US corn futures opened higher this morning. Corn futures continue their sideways trend with no new significant information coming in for the last couple of weeks. Yield reports have been good and near expectations with improved weather for harvest is in the forecast.

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		113.47	91.26 107.61	93.07 99.13	93.97 104.86	109.70 110.91	114.54 115.75	119.98 133.79	141.89 155.19	151.57 162.45	156.51 160.63
Maple Leaf Sig. #5		117.33	99.59 113.73	99.47 105.12	100.59 108.33	112.73 116.07	118.93 120.12	123.86 135.73	141.37 156.48	153.03 162.20	159.44 161.91
Soymeal Wpg Del.	439	439	439	439	462	465					

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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