



Hog Margin Outlook

Meeting Your Marketing Needs

Friday, October 14, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
412,000	Thursday
437,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$47.27
National	\$55.25
Iowa/S. MN.	\$47.35
Signature 5	\$122.08
HyLife	\$129.10
TCP/Britco	\$114.47
4-Mo. Sig5 Fwd	\$104.78
BoC Rate (Noon) prev. day \$1.3219 CAD / \$0.7565 USD	
Cash Prices Week Ending October 15, 2016	
Signature 3	114.29/51.84
Signature 4	130.49/59.19
Signature 5	122.39/55.52
h@ms Cash	120.89/54.84
HyLife	n/a
TCP/Britco	113.60/51.53
ISO Weans	\$12.72 US Avg.
Feeder Pigs	\$21.52 US Avg.
#1 Export Sows (+500lbs.)	\$24.00/cwt. (Tagged)

Forward contract prices opened mixed this morning. US cash markets were steady in yesterday's trade with the industry not willing to take cash prices lower due to the temporary plant closures along the East Coast. Smithfield's Tar Heel facility in North Carolina did reopen for a partial kill yesterday and there are expectations they will try to make up some of the lost production this weekend. Next week's slaughter is expected to be over 2.5 million hogs and could possibly give market participants real information about maximum industry capacity. Lean hog futures are trading mixed this morning with the October futures contract set to expire later today. Forward contracts for January – February are trading near their highest level in the last two weeks, providing a better hedging opportunity for producers looking to add protection early in 2017.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are finishing the week off with some strength. Analysts suggest the market has already priced in the large US volumes and the strong demand continues to be supportive. There is also talk among the technical traders that some key resistance levels have been breached, exacerbated by demand that will likely remain strong especially at these US price levels. As well, the funds are holding onto large short positions (due to early production expectations) and if positions get closed in large blocks, the move could influence the trade higher. Canadian end users should also remember that the current exchange rate is adding approximately 20% to Canadian meal prices relative to a 90 cent dollar and 2% relative to last year.

US corn futures opened higher this morning. Like beans, US corn futures are seeing some support to finish the week. Recently, corn has been closely following the wheat trade as a lot of poor quality wheat is now competing in the feed market. However, wheat has recently seen some strength return and corn futures have followed along with it. For the most part, there is a general consensus that the lows have been reached, now with a less controversial yield estimate and the fact that corn has been range bound for weeks. Traders will now focus on global demand as well as planting developments in S. America for some direction.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		92.69 103.29	92.57 98.19	100.60 108.30	112.68 115.99	120.25 121.44	125.15 137.55	145.31 160.40	156.96 166.10	160.84 167.25	164.52
Soymeal Wpg Del.	439	439	442	461	463	463					

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h@ms 2016 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Swift Current, SK	Tuesday, Oct. 25 - 12:00 Noon	Days Inn - 905 North Service Road East
Saskatoon, SK	Wednesday, Oct. 26 - 12:00 Noon	Courtyard Marriott - 333 Aerogreen Crescent
Steinbach, MB	Friday, Oct. 28 - 12:00 Noon	Smitty's Family Restaurant - 145 Park Road
Lethbridge, AB	Thursday, Nov. 3 - 12:00 Noon	The Coast Hotel & Conference Centre - 526 Mayor Magrath Dr.
Starbuck, MB	Thursday, Nov. 10 - 2:00 PM	Starbuck Community Hall - 25 Main Street