



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, November 02, 2016

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

www.hamsmarketing.ca

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

US Slaughter

440,000 Tuesday

434,000 Tuesday
(year ago)

Daily Prices

W. Corn Belt \$44.56

National \$53.91

Iowa/S. MN. \$44.64

Signature 5 \$118.65

HyLife \$127.17

TCP/Britco \$109.23

4-Mo. Sig5 Fwd \$115.51

BoC Rate (Noon) prev. day
\$1.3379 CAD / \$0.7474 USD

Cash Prices Week Ending October 29, 2016

Signature 3 111.30/50.49

Signature 4 129.32/58.66

Signature 5 120.31/54.57

h@ms Cash 118.81/53.89

HyLife 127.71/57.93

TCP/Britco 111.40/50.53

ISO Weans \$20.90 US Avg.

Feeder Pigs \$23.44 US Avg.

#1 Export Sows (+500lbs.)
\$20.00/cwt. (Tagged)

Forward contract prices opened lower this morning. US cash markets are lower mid-week as packers are having no difficulty filling their plants with the abundant supply of hogs. The US weekly slaughter is on pace to exceed 2.52 million hogs (a new record for weekly hog slaughter) even as the hog supply is not expected to peak for another month. Smithfield's Tar Heel facility, which receives exclusively company owned hogs, is behind in their schedule after the plant was inoperable for three days last week. Lean hog futures moved sharply lower in yesterday's trade paring back some of the gains made over the previous week. There is still a great deal of uncertainty in the coming month regarding how the cash market will perform amid such heavy supplies. Producers that are still looking for price protection in late December and early January should consider current forward contract prices as fair value given the cash price risk in this timeframe.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading in a mixed pattern this morning, but have turned lower as of this writing. The bean trade has backed-off from the recent highs after approaching resistance levels that were established in mid-August. There has also been talk that fund buying has driven the market into over-bought territory suggesting there are technical grounds for a turnaround and, at least, waning support for now. Also cooling the market is news that no new export sales were announced yesterday. However, many in the trade have suggested the market has already priced in strong demand and observing that November's WASDE report is expected to adjust yield estimates higher, there is talk that the upside is indeed limited in the short term.

US corn futures opened higher this morning. The US corn futures trade is showing some strength this morning, and despite the bearish news over the past two months, it is important to remember that the trade has actually crept higher over the same time period and is trading among highs not seen since July. Part of the reason stems from low Brazilian exports that followed an aggressive export pace last year, ultimately leaving Brazilian feed customers short on supplies, and turning customers to the USA. Much like the bean trade, there is talk large supplies and increasing demand will be the two main factors influencing prices in the short-to-mid terms.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		102.47 108.19	104.73 111.98	117.54 123.22	124.38 128.72	132.52 144.23	150.17 165.47	161.98 171.25	165.70 172.20	159.61 169.31
Soymeal Wpg Del.	446	446	465	468	468	477				

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance and all pricing is subject to verification. Any unauthorized distribution is strictly prohibited.

h@ms 2016 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
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