



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, November 08, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
443,000	Monday
431,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$42.58
National	\$53.06
Iowa/S. MN.	\$42.64
Signature 5	\$115.25
HyLife	\$125.24
TCP/Britco	\$104.37
4-Mo. Sig5 Fwd	\$120.78
BoC Rate (Noon) prev. day \$1.3383 CAD / \$0.7472 USD	
Cash Prices Week Ending November 5, 2016	
Signature 3	108.77/49.34
Signature 4	128.19/58.15
Signature 5	118.48/53.74
h@ms Cash	116.98/53.06
HyLife	126.96/57.59
TCP/Britco	110.90/50.30
ISO Weans	\$25.14 US Avg.
Feeder Pigs	\$28.96 US Avg.
#1 Export Sows (+500lbs.)	\$22.00/cwt. (Tagged)

Forward contract prices opened higher this morning. US cash markets started this week with slightly lower bids as all packers are filling their shackles with no requirement to compete for the hogs. Carcass weight data suggests that packer owned hogs are less current to their typical marketing schedule than independent producer owned hogs, probably resulting from the troubles at Smithfield's Tar Heel facility. Wholesale pork prices improved by around \$1.00/cwt in yesterday's trade, an impressive move considering the record large slaughter from last week. Recent monthly pork export volume showed that the US shipped about 3% more pork in September than it did the previous year. While there was modest growth, the increase does little to help clear the market of the heavy supplies. Nearby lean hog futures are trading higher this morning, buoyed by yesterday's gain in the pork cut-out which suggests solid demand in the domestic market despite fierce competition by chicken and beef for the consumer dollar.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher on consistently strong export demand. Inspections came in at 2.624 MMT compared to a 2.5-2.8 MMT expected range. As well, daily sales reports are continuing to support; analysts note that since the beginning of September, export sales are 13.3% higher than last year at the same time. Yield estimates in tomorrow's WASDE report are highly anticipated and the general consensus is that they will be raised. However, yields will likely have to be over 53 bpa in order for substantial price pressure to materialize; the combination of production and demand adjustments will be the key. US harvest has come in at 93% complete compared to 94% last year.

US corn futures opened higher this morning. Like beans, US corn futures are trading higher ahead of the Wednesday's WASDE report. Also like beans, a lot of US production is expected and ending stocks estimates are thought to come in over 2 billion bushels. The extent to which any pre-report (and pre-election) positioning has impacted the markets remains to be seen, but some market participants are cautioning against a volatile couple days following both the release of an important WASDE report and the US election. Election polls in the US close tonight between 7:00 and 9:00 PM (depending on the state); the WASDE report will be released tomorrow at noon, Eastern.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #5		103.04 108.22	106.65 113.88	119.42 125.08	126.21 130.54	134.33 146.21	152.51 167.78	164.29 173.55	169.44 175.93	163.84 173.53	154.37 158.34
Soymeal Wpg Del.	454	454	474	476	476	485					

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h@ms 2016 Remaining Fall Marketing Meeting

Meeting	Date and Time	Location
Starbuck, MB	Thursday, Nov. 10 - 2:00	Starbuck Community Hall - 25 Main Street