



Hog Margin Outlook

Meeting Your Marketing Needs

Friday, November 18, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
444,000	Thursday
438,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$40.55
National	\$51.39
Iowa/S. MN.	\$40.56
Signature 5	\$111.15
HyLife	\$121.33
TCP/Britco	\$99.62
4-Mo. Sig5 Fwd	\$128.15
BoC Rate (Noon) prev. day \$1.3429 CAD / \$0.7447 USD	
Cash Prices Week Ending November 19, 2016	
Signature 3	101.08/45.85
Signature 4	123.50/56.02
Signature 5	112.29/50.93
h@ms Cash	110.79/50.25
HyLife	n/a
TCP/Britco	102.40/46.45
ISO Weans	\$29.06 US Avg.
Feeder Pigs	\$33.51 US Avg.
#1 Export Sows (+500lbs.)	\$27.00/cwt. (Tagged)

Forward contract prices opened mixed this morning. US cash markets are finishing the week lower as packers are having no difficulty finding supplies which is resulting in a record-large US hog slaughter. It is increasingly difficult to keep clearing the market of each week's record production without significant price concessions. However, there is a lag when these prices respond to the heavy supply as you move up the value chain. Retail prices are down 6% from year ago levels, wholesale pork prices are down 16%, and live hog prices are down approximately 20%. However, both domestic and export consumers need to see larger price concessions in order to significantly increase their consumption. Lean hog futures have seen large price fluctuations over the last week, reflecting the uncertainty of the cash market trend expected over the next two months. Producers should consider taking price protection on some of their early January production in order to guard against a sluggish recovery from the cash market lows anticipated in about a month's time.

Canadian delivered soymeal prices opened higher this morning. The US soybean complex is trading lower on increasing evidence that more pressure could be mounting, at least fundamentally. Despite 'cheap beans' and technical indicators that suggest a movement lower is less likely, the market will be forced to deal with massive supplies if weather remains normal for the balance of the planting, growing and harvest seasons in South America. As such, S. American weather will be watched very closely and likely provide some of the day to day direction until production values are known. In the meantime, pressure also is coming from the relative strength in the USD (meaning US product is less competitive) and thoughts that large acreage for the US next year (!) will add to the supply side of the balance sheet. Export demand remains strong, keeping the downside in check.

US corn futures opened higher this morning. Strong export numbers for US corn supported the market yesterday and the trend has continued into this morning's trade. US corn futures recently ventured into an oversold condition and the market was poised for a recovery on strong demand (or weak supply) news. Export sales came in at 1.661 MMT, 427,000 MT higher than last week and much higher than the 685,000 needed each week to meet USDA demand expectations. The degree to which the current pace can be maintained very much remains to be seen. However, with a bit of a supply gap in Brazil and thoughts that the previous feed shortage dilemma is still an issue (plus cheap US corn), US corn could see more support than weakness in the short term.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5			106.78 114.09	119.70 125.43	126.48 130.86	134.69 146.82	153.85 169.32	165.79 175.17	169.91 176.47	163.56 173.36	147.81 156.86	144.90 147.81
Soymeal Wpg Del.	452	452	474	477	477	487						

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.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236

CALL CRYSTAL FOR MORE INFO 204-235-2225

LIGHT HOG PROGRAM!

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS