



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, December 12, 2016

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

www.hamsmarketing.ca

Hog Prices: ↑↓ Soymeal: ↓

Corn: ↓ CDN Dollar: ↑

US Slaughter	
2.443 mil.	Last Week
2.430 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$52.80
National	\$57.09
Iowa/S. MN.	\$52.73
Signature 5	\$130.41
HyLife	\$132.85
TCP/Britco	\$126.95
4-Mo. Sig5 Fwd	\$140.65
BoC Rate (Noon) prev. day \$1.3164 CAD / \$0.7596 USD	
Cash Prices Week Ending December 10, 2016	
Signature 3	122.24/55.45
Signature 4	127.99/58.06
Signature 5	125.11/56.75
h@ms Cash	123.61/56.07
HyLife	128.92/58.48
TCP/Britco	111.15/50.42
ISO Weans	\$42.59 US Avg.
Feeder Pigs	\$47.97 US Avg.
#1 Export Sows (+500lbs.)	\$22.00/cwt. (Tagged)

Forward contract prices opened mixed this morning. US cash markets are also starting the week off mixed, but are showing some ongoing regional strength. ISM and WCB reporting regions have backed off by about \$1.00 USD/cwt while the National reporting region has again maintained its upward tack by roughly the same amount to the positive side. US packers are still incented to bid on uncommitted animals while margins remain high. However, the USDA has estimated last week's slaughter at 2.443 million animals and while this is a relatively high number, it is lower than the 2.5+ million previously thought to be approaching processing capacity limits. Lean hog futures are also starting the week off in a mixed pattern. Last week's export report showed positive developments in important markets including both Mexico and Japan. However, as the week progressed, there was some chatter questioning if the demand pace could be sustained in the face of a high USD. Forward contract prices have seen a recent boost in the US base price following the export report, but are being somewhat offset by recent strength in the Canadian dollar.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are starting the week off lower following a mixed reaction to Friday's WASDE report. While the final numbers reported did vary from pre-repot estimates, the notable development was that the supply and demand numbers in the December report did not change from the estimates in the November report. Only average pricing was raised by a nickel. Market reaction was mixed as most expected the demand side to be adjusted higher. Initial strength in beans immediately following the report suggested that the market was not completely in agreement.

US corn futures opened lower this morning. In an odd development, and like beans, the USDA made no adjustments whatsoever to the supply and demand estimates in the December WASDE report (compared to the November issue) and only raised pricing projections by a quarter. While the published numbers did vary from the pre-report estimates, the market's reaction to the report was decisively bearish. Current ending stocks eclipse 2 billion bushels and the market will likely have to clear a lot of product before some tangible and/or sustained price support can return to the trade.

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		123.26 128.42	133.86 139.42	133.98 138.47	142.18 153.92	157.39 172.39	168.97 178.06	171.46 177.85	165.82 175.36	153.90 160.36	148.80 151.64
Soymeal Wpg Del.	450	452	457	457	478	478					

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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