



# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, December 19, 2016

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Hog Prices: ↓↑ Soymeal: ↑

Corn: ↓ CDN Dollar: ↑

US Slaughter	
2.544 mil.	Last Week
2.499 mil.	Last Week (year ago)

Daily Prices	
W. Corn Belt	\$53.39
National	\$59.67
Iowa/S. MN.	\$53.46
Signature 5	\$135.90
HyLife	\$140.70
Britco	\$130.41
Thunder Creek	\$135.90

4-Mo. Sig5 Fwd	\$149.88
----------------	----------

<b>BoC Rate (Noon) prev. day</b>	
\$1.3338 CAD / \$0.7497 USD	

Cash Prices Week Ending December 17, 2016	
Signature 3	129.01/58.52
Signature 4	136.97/62.13
Signature 5	132.99/60.32
h@ms Cash	131.49/59.64
HyLife	137.01/62.15
Britco	124.25/56.36
Thunder Creek	125.11/56.75

ISO Weans	\$47.26 US Avg.
-----------	-----------------

Feeder Pigs	\$47.38 US Avg.
-------------	-----------------

#1 Export Sows (+500lbs.)	\$19.00/cwt. (Tagged)
---------------------------	-----------------------

**Forward contract prices opened mixed this morning.** US cash markets are expected to come under pressure this week, with hog supplies on pace for another massive weekly hog slaughter, ahead of next week's holiday reduced slaughter schedule. Last week's hog slaughter posted a new all-time record, with USDA estimating it at 2.544 million hogs. Despite the record setting slaughter and pork production, the pork carcass cut-out held strong last week with support from both Hams and Loins. Cash market fundamentals have performed better than expected over the last month, with price indications reflecting a market that is easily clearing its weekly production. Lean Hog futures are moderating last week's gains in early trading, with most contracts down approximately \$0.50/cwt. The February contract is trading about \$7.00/cwt higher than the current cash index price, which is more than double the premium that is typical for this time of year. The US Dollar appreciated against most other currencies over the last week as markets responded to a more optimistic US Federal Reserve on economic growth, which could lead to further interest rate hikes.

**Canadian delivered soybean prices opened lower this morning.** There is talk that the South American weather premium currently built into the market will be difficult to sustain if the rain that is forecast materializes. About 80% of the growing area is expected to see some moisture soon, but there is talk that 25% of that area could be subject to minimal rainfall and hot temperatures developing around the 28<sup>th</sup>. Brazilian production has been estimated at 106.1 MMT by a South American analytics firm compared to the 102 on record at the USDA. US soybean futures have backed off from recent highs amid the bearish news so far.

**US corn futures opened lower this morning.** Talk of rainfall and expectations that South American production could increase by 27MMT is pressuring the trade this morning. There are thoughts the much talked about weather premium will lose some value especially if the moisture is substantial. However, areas in Argentina are still expected to be hot heading into the new year and there is some uncertainty if the current rainfall expectations will be enough to protect against the heat that is on the way.

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		134.51 137.36	142.91 145.98	145.45 147.74	149.72 161.65	162.42 177.73	174.23 183.51	175.31 183.22	170.20 178.67	155.76 164.63	152.88 155.76
Soymeal Wpg Del.	460	460	466	466	488	488					

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