



# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, January 09, 2017

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

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

Hog Prices: ↓↑ Soymeal: ↑

Corn: ↓ CDN Dollar: ↔

## US Slaughter

2.088 mil. Last Week

2.375 mil. Last Week  
(year ago)

## Daily Prices

W. Corn Belt \$56.29

National \$60.20

Iowa/S. MN. \$56.34

Signature 5 \$138.80

HyLife \$140.04

Britco \$136.18

Thunder Creek \$138.80

4-Mo. Sig5 Fwd \$153.42

**BoC Rate (Noon) prev. day**

\$1.3216 CAD / \$0.7567 USD

## Cash Prices Week Ending January 07, 2016

Signature 3 131.95/59.85

Signature 4 142.02/64.42

Signature 5 136.98/62.13

h@ms Cash 135.48/61.45

HyLife 141.11/64.01

Britco 128.51/58.29

Thunder Creek 136.57/61.95

ISO Weans \$55.77 US Avg.

Feeder Pigs \$65.33 US Avg.

#1 Export Sows (+500lbs.)  
\$22.00/cwt. (Tagged)

**Forward contract prices opened mixed this morning.** US negotiated hog prices made gains of approximately \$1.50 USD/cwt in last week's trade with packers showing no signs of cutting the value of their bids. While the pork carcass cut-out value dropped by approximately 3% last week, packers are still benefitting from excellent operating margins, extending their streak of \$50 USD/pig profitability to more than 4 months. Hams experienced a sell-off in last week's trade, losing about 16% of their value; however, they remain 20% higher than year ago levels. Export markets are critical at this time of peak production in order to clear the inventory on a weekly basis. Recent weekly data seemed to indicate some weakness in export volumes with the last 3 weeks of pork exports being the lowest in 2016. However, the more accurate monthly data had November's total come in about 15% larger than year ago levels, reflecting the exceptional export demand experienced 2 months ago. Producers should consider covering up to half of their spring production price risk, as supplies are projected to stay heavy while there are headwinds in the export markets.

**Canadian delivered soymeal prices opened higher this morning.** Friday's activity that saw the market push lower by double digits was thought to be a bit overdone and today's support is widely viewed as a corrective response to Friday's move lower. There are a couple reasons for the pressure that include expectations of large production estimates despite some challenging weather stories in South America and a higher US dollar. But one thing that caught the market a bit by surprise was lower than expected export inspections and some Chinese cancellations. The two combined events suggest Chinese buyers may have begun to shift focus to the South American market.

**US corn futures opened lower this morning.** US corn futures are trading lower. There is some uncertainty in Argentina over crop production (especially in light of the recent rainfall and speculation about acres left unplanted), but those fears are being partially offset by expectations of large production volumes in Brazil amid some positive weather developments in key dry areas. As well, there are thoughts that the relatively high US currency is creating a competitive disadvantage and there are still large volumes of corn available. Thursday's WASDE report is expected to show ending stocks at between 2.206 and 2.500 billion bushels.

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		140.26 140.50	141.88 144.15	146.11 157.94	158.64 173.77	170.32 179.50	171.43 179.21	163.90 172.31	150.47 159.28	147.62 150.47	134.26 145.98	131.81 140.01
Soymeal Wpg Del.	453	453	453	476	476	480						

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WINNIPEG LIVESTOCK  
HWY #6 AND RD 236

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