



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 02, 2017

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

www.hamsmarketing.ca

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

Forward contract prices opened higher this morning. US cash markets improved in yesterday's trade, gaining about \$0.40/cwt across most regions. Hog supplies are abundant, resulting in a slaughter pace that has averaged 3% – 4% higher than year ago levels. Carcass weights have held firm at around 213 lbs., which is slightly higher than year ago levels and resulting in pork production of about 500 million pounds per week or about 3.5% over year ago levels. This significant increase in production is projected to stay with us and likely grow over the next 6 months which explains why the summer month contracts are holding a smaller-than-average premium to the cash market than is typical over this timeframe. At this point, producers should focus their attention on the Sep - Dec timeframe, as the fall months currently represent profitable prices for most producers and there is significant uncertainty in whether demand (both export and domestic) can maintain its recent growth trend.

Canadian delivered soymeal prices opened lower this morning. The rumor fueled rally seen earlier this week ended in yesterday's trade with the soybean complex down slightly and consolidating its gains. The rally attracted new fund buyers that have a bias to be long at this time of year, but traders are still cautious of adding too much value before any new Biofuels plan is announced by the Trump Administration.

US corn futures opened lower this morning. Corn Futures are trading lower this morning, taking back a small portion of yesterday's gains. Fund traders have been buying this market based on technical indicators, but commercial and small speculators are focused on the probability of the Trump Administration's Biofuels policy which could result in an advantage of this crop over others should they increase the mandate for renewable fuels.

US Slaughter	
443,000	Wednesday
437,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$68.55
National	\$74.63
Iowa/S. MN.	\$68.52
Signature 5	\$172.25
HyLife	\$174.02
Britco	\$167.25
TCP/BP2	\$172.25
4-Mo. Sig5 Fwd	\$ 173.91
BoC Rate (Noon) prev. day \$1.3346 CAD / \$0.7493 USD	
Cash Prices Week Ending February 25, 2017	
Signature 3	176.04/79.85
Signature 4	180.08/81.68
Signature 5	178.06/80.77
h@ms Cash	176.56/80.09
HyLife	178.63/81.03
Britco	176.77/80.18
TCP/BP2	174.79/79.28
ISO Weans	\$52.38 US Avg.
Feeder Pigs	\$74.78 US Avg.
#1 Export Sows (+500lbs.) \$28.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5			155.67 162.62	165.27 179.39	175.89 185.18	178.33 184.89	172.36 180.86	159.88 168.57	156.42 159.30	140.61 152.44	138.13 146.41
Soymeal Wpg Delivered.		477	490	490	489	489					

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WINNIPEG LIVESTOCK HWY #6 AND RD 236

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