



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 06, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
2.311 mil.	Last Week
2.224 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$68.06
National	\$73.55
Iowa/S. MN.	\$68.12
Signature 5	\$171.30
HyLife	\$173.25
Britco	\$167.18
TCP/BP2	\$171.30
4-Mo. Sig5 Fwd	\$ 171.19
BoC Rate (Noon) prev. day \$1.3419 CAD / \$0.7460 USD	
Cash Prices Week Ending March 4, 2017	
Signature 3	166.05/75.32
Signature 4	177.33/80.44
Signature 5	171.69/77.88
h@ms Cash	170.19/77.20
HyLife	174.26/79.04
Britco	173.16/78.54
TCP/BP2	178.06/80.77
ISO Weans	\$49.06 US Avg.
Feeder Pigs	\$76.04 US Avg.
#1 Export Sows (+500lbs.)	\$28.00/cwt. (Tagged)

Forward contract prices opened higher this morning. US cash markets trended lower last week with the negotiated prices for uncommitted supplies dropping more than \$1.00 USD/cwt in Friday's trade. With the hog supply up approximately 3.5% from year ago levels, packers are focused on finding ways to increase sales while maintaining their margin of about \$25 US/hog. North American meat markets are abundant with supplies of beef, chicken and pork, as all three sectors have seen significant expansion and need to secure increased export demand. Any setback or trade restriction on any of these meats would have very negative impacts on the market for all of them, due to domestic substitution of meat products. The greatest uncertainty for pork markets is again focused on the fall months, as record setting pork supplies need to be cleared of the market with increased export sales. The addition of two new packers will help ensure that the producer share of the pork dollar will be more equitable than the fall of 2016, but the possibility of new US trade policy may put the current profitable outlook at risk. Producers should look to build a hedge position for the Sep – Dec timeframe with 20% of fall production covered at current prices.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are starting the week higher. Reports of record production volumes from South America have done little to curb the active fund buying which has so far kept prices supported. However, there are rumors the buying activity could soon slow down meaning there would likely have to be some other (significant) supply problem (other than recent Brazilian logistics) needed to keep the bullish trend in the mid term. Brazil harvest is estimated to be near 109 MMT at the high end and is reported as 78% completed.

US corn futures opened lower this morning. US corn still struggles to break the bearish trend as supplies continue to be estimated higher at the same time some demand concerns are developing. Cheap feed wheat and concerns of a bird flu outbreak in China, not to mention plenty of corn in the country, is exacerbating a situation that could see Brazil produce over 90 MMT of corn this year. Keep in mind that production in Brazil was unimpressive last year and only came in around 67 MMT. Nevertheless, the added production this year means supplies are much less tight and directly competing with US variants.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		151.75 158.70	162.13 176.25	172.75 182.04	175.94 182.45	169.97 178.47	159.24 167.94	156.08 158.96	140.27 152.13	137.79 146.09
Soymeal Wpg Delivered.	479	492	492	491	491	496				

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

ACCEPTING: SOWS BOARS LIGHTS MARKET HOGS