Hog Margin Outlook

Meeting Your Marketing Needs

Friday, March 10, 2017

For details call: (204)235-2237 or visit
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Hog Prices: ↓ *Soymeal:* ↓
Corn: ↓ *CDN Dollar:* ↓

US Slaughter	
440,000	Thursday
436,000	Thursday (year ago)

Daily Prices	
W. Corn Belt	$67.75
National	$73.12
Iowa/S. MN.	$67.76
Signature 5	$171.50
HyLife	$173.49
Britco	$167.36
TCP/BP2	$171.50
4-Mo. Sig5 Fwd	$ 171.68

BoC Rate (Noon) *prev. day*
$1.3505 CAD / $0.7405 USD

Cash Prices Week Ending March 11, 2017	
Signature 3	168.11/76.25
Signature 4	174.83/79.30
Signature 5	171.47/77.78
h@ms Cash	169.97/77.10
HyLife	n/a
Britco	166.26/75.42
TCP/BP2	171.69/77.88

ISO Weans $49.06 US Avg.

Feeder Pigs $76.04 US Avg.

#1 Export Sows (+500lbs.)
$30.00/cwt. (Tagged)

Forward contract prices opened lower this morning. *US cash markets are finishing the week lower with the regional, negotiated bids falling about $1.50 USD/cwt from the highs hit in Tuesday's trade. Live hog supplies are ample and hog slaughter is expected to top 2.25 million hogs, more than 3% higher than year ago levels. The pork carcass cut-out has held firm in this week's trade despite a further erosion in the price of pork bellies to $137 USD/cwt. Gains in the value of the loin and butt primal cuts have offset the weakness in pork bellies, with much of these gains attributed to firm export markets. The USDA released its latest export data for the month of January which showed total exports were up 20% from year ago levels; Mexico and South Korea posted increases of more than 30% over levels seen in January 2016. Confirmation of excellent export demand was not enough to positively impact lean hog futures, however, with summer and fall month contracts down more than $1.00 USD/cwt from this week's highs. Producers should be securing prices on 20% -30% of their Sep – Dec production at current prices in order to lock in profitable margins.*

Canadian delivered soymeal prices opened lower this morning. *Interest in US soybeans is expected to wane in the face of a large Brazilian crop that is in part cited as rationale for the move lower this morning. The USDA estimated the Brazil crop at 108 MMT, an ~4 MMT revision higher and among the upper end of the range of expectations. This move is considered bearish for the trade. Observing that US demand could taper off relatively speaking, export estimates were adjusted lower and 'added' to the ending stocks estimates, now pegged at 435 million bu. This is up from the 418 million bu. pre-report average estimate and 15 million bu. higher than the February numbers.*

US corn futures opened lower this morning. *Like the beans, US corn futures are trading lower following the release of the March WASDE report, mid-trade yesterday. The move lower, however, was not as dramatic and the report is considered neutral to slightly bearish among industry professionals. Adjustments to feed (lower) and ethanol (higher) offset one another and only minor adjustments to residual were highlighted. The net result was no change to estimated ending stocks (coming in at 2.320 billion bu.), but this was higher than the pre-report average estimate (2.217 billion bu.) thus considered slightly bearish for the day. Regardless, there is still a lot of corn in the marketplace as well as some demand uncertainty ahead.*

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		153.39 160.37	162.36 176.55	173.03 182.37	175.85 182.39	169.91 178.46	160.02 168.77	156.86 159.76	141.51 153.44	139.02 147.37
Soymeal Wpg Delivered.	466	479	479	479	479	485				

2017 District Meetings	Date	Time	Location
Swift Current	Tuesday, March 14	12:00 Noon	**Days Inn** - 905 North Service Road East, Swift Current
Saskatoon	Wednesday, March 15	12:00 Noon	**Comfort Suites** - 203 Bill Hunter Ave., Saskatoon
H.B. Marketing & MB West	Thursday, March 16	2:00 PM.	***Glesby Centre** –11-2nd St. NW, Portage La Prairie*
Manitoba East	Friday, March 17	12:00 Noon	**Smitty's Restaurant** - Clear Spring Centre, Steinbach
Heartland Marketing District	Thursday, March 23	2:00 PM.	**Starbuck Community Hall** - 25 Main Street, Starbuck