



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 13, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
2.313 mil.	Last Week
2.237 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$66.96
National	\$72.92
Iowa/S. MN.	\$66.92
Signature 5	\$169.81
HyLife	\$173.32
Britco	\$164.85
TCP/BP2	\$169.82
4-Mo. Sig5 Fwd	\$ 176.22
BoC Rate (Noon) prev. day \$1.3469 CAD / \$0.7424 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	166.26/75.42
Britco	166.26/75.42
TCP/BP2	171.69/77.88
ISO Weans	\$45.64 US Avg.
Feeder Pigs	\$74.38 US Avg.
#1 Export Sows (+500lbs.) \$30.00/cwt. (Tagged)	

Forward contract prices opened higher this morning.

Midwestern packers dropped their bids for cash hogs by approximately \$1.00 USD/cwt in Friday's trade, taking the negotiated price to its lowest level since January. Live hog supplies continue to fill shackles for expanded production runs on the weekend which led to the week's slaughter coming in at an estimated 2.313 million hogs, 3.4% larger than the same week in 2016. Pork product values were mixed to finish last week, with all of the primal cuts seeing increased price fluctuations. Lean hog futures traders have been hesitant to add any value to summer month contracts as pork production is expected to run more than 6% over year-ago levels. This would imply that if domestic consumption held steady, that export sales would need to exceed year-ago volumes by 30% in order to clear the market. Producers should consider mitigating some price risk with this morning's support, hedging up to 1/3 of intended production for the last half of 2017.

Canadian delivered soymeal prices opened higher this morning.

US soybeans have turned around from the pressure seen last week and are trading higher as of this writing. Not only did the USDA raise production estimates in South America (therefore implying heavier competition from the region), there were also rumors that the Chinese government could start to auction off state reserves, adding pressure from the speculators. In other news, it was reported here last week that Brazil harvest was nearing 80% complete, citing a (now obvious) error; this was incorrect. National (average) Brazil harvest is actually near 56% that, while ahead of last year's pace and the 5-year average, is not nearly as completed as implied in one report last week.

US corn futures opened lower this morning.

US corn futures continue to grind lower in a market that has a distinct bearish tone to it. While WASDE numbers last week were considered neutral to mildly bearish, rumors have surfaced suggesting that Mexico has bought a summer shipment of corn from Argentina, exacerbating the bearish tone. There have been further reports that a Mexican senator is campaigning to shift Mexican purchases to South America as opposed to the US. If both reports are true, the moves could represent a not so insignificant shift in US corn movements as Mexico is currently the number one buyer of US corn in the world.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		161.43 164.29	165.67 179.85	176.33 185.66	178.54 185.37	172.23 180.77	160.98 169.71	158.01 160.91	142.36 154.29	139.87 148.22
Soymeal Wpg Delivered.	470	483	483	482	482	489				

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.

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