



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, March 14, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
440,000	Monday
429,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$67.77
National	\$72.42
Iowa/S. MN.	\$67.86
Signature 5	\$170.02
HyLife	\$171.67
Britco	\$166.96
TCP/BP2	\$170.02
4-Mo. Sig5 Fwd	\$ 177.41
BoC Rate (Noon) prev. day \$1.3453 CAD / \$0.7433 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. US negotiated cash markets were \$1.00/cwt higher to start the week, with the number of hogs sold on a negotiated basis up significantly from recent weeks. Packers and producers alike are already preparing for the entry of a new plant that is expected to start up in late-Summer and is likely to change how aggressive packers bid for uncommitted hogs. The strength in the cash market had a positive effect on futures values as Lean Hog futures rallied sharply late in yesterday's trade, gaining nearly \$2.00/cwt in the summer months. Export demand is critical to the market's ability to add to these gains and surpass previous highs, but it is a tall order. If domestic consumption stays steady with year ago levels, total export volumes would have to sustain gains of +30% just to clear the market of the added supply. Producers without protection in the last half of 2017 should consider covering up to 1/3 of their intended production at current prices to secure positive cash flows in the uncertain times.

Canadian delivered soymeal prices opened lower this morning. US soybean futures prices are expected to see some softness in the short to mid-term as harvest ramps up in S. America amid ideas the region will produce record crops. Despite some earlier moisture challenges in Brazil and Argentina, the weather has been more cooperative and exceptional production is expected. In fact, the region is on pace to produce 13 MMT of the anticipated 16 MMT increase in global demand meaning the US crop has less weight to pull if indeed S. America prevails. As well, analysts are expecting Chinese demand for US beans to drop off as the seasonal shift develops.

US corn futures opened higher this morning. US corn futures are trading near the lower end of the recently established range, but are well within the range nonetheless. A break higher at this point seems rather unlikely considering the massive world supplies, concerns regarding the recent bird flu outbreak, uncertain demand for US supplies from key markets, and thoughts that S. America combined could produce ~30 MMT more corn than last year alone. Of course, corn production from S. America last year was meagre at best. Regardless, the 'extra' supplies this year should relive supply pipeline concerns that developed last year.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		163.60 166.46	166.83 181.03	177.51 186.86	179.17 186.57	173.11 181.66	161.74 170.48	158.85 161.76	143.04 154.98	140.54 148.90
Soymeal Wpg Delivered.	468	482	482	481	481	487				

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