



# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, March 15, 2017

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

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

US Slaughter	
433,000	Tuesday
433,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$66.94
National	\$72.78
Iowa/S. MN.	\$66.39
Signature 5	\$169.56
HyLife	\$172.33
Britco	\$163.47
TCP/BP2	\$169.56
4-Mo. Sig5 Fwd	\$ 177.49
<b>BoC Rate (Noon) prev. day</b> \$1.3463 CAD / \$0.7428 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.)	\$35.00/cwt. (Tagged)

**Forward contract prices opened higher this morning.** US negotiated cash markets were lower in trade yesterday, with some Mid-western packers dropping bids by \$1.50/cwt. The hog supply has been constant at a 3.5% increase over year ago levels, slightly lower than what was anticipated based on the USDA's December report, which was about 4% over year ago. Uncertainty remains on the demand side of the equation, particularly with exports, as the market is still unsure as to whether the Trump Administration will enact an import tariff which could initiate retaliatory tariffs by Mexico. Lean Hog futures gained about \$2.00/cwt in the summer months and \$1.00/cwt in the fall contracts so far this week, and when combined with some of the lowest exchange rates of 2017, are resulting in some of the highest forward contract prices seen thus far. Producers should look to cover up to 1/3 of their intended production at current prices in an effort to capture profitable production in a time of significant uncertainty.

**Canadian delivered soymeal prices opened lower this morning.**

Traders of US soybean futures are readying for a corrective move higher after approaching oversold levels in recent days. The move lower is coming from the growing body of fundamental evidence showing large S. American crops along with preliminary US crop estimates indicating acreage could increase. At least one private firm has revised US acreage up by 700 000 acres for 2017/18. There is increasing talk that Chinese end users will soon start to look to S. America and potentially start cancelling US orders as prices in the southern hemisphere become more competitive. This week, Brazil passed the 50% harvested mark which is ahead of averages and the paces seen in the past two years.

**US corn futures opened lower this morning.**

Like beans, US corn futures are poised for a move higher on technical grounds after trading lower for six sessions in a row, the longest bear streak since June 2016. Weakness in energy markets and thoughts that the avian flu outbreak in China could curb short-term feed demand are contributing factors. Also contributing to the bearish tone are thoughts that there will likely be a lot of corn in the global marketplace, at least in the mid-term. Second (Safrinha) crop corn in Brazil is behind last year's planting pace, but ahead of the five year average, sitting at 86% complete along with normal rainfall and warm weather to the end of the month.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		163.72 166.57	167.11 181.27	177.76 187.09	179.70 186.80	173.64 182.20	161.94 170.68	158.94 161.85	142.91 154.85	140.41 148.77
Soymeal Wpg Delivered.	466	480	480	479	479	486				

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