



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 16, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
440,000	Wednesday
418,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$67.47
National	\$72.41
Iowa/S. MN.	\$67.54
Signature 5	\$169.61
HyLife	\$171.57
Britco	\$166.15
TCP/BP2	\$169.61
4-Mo. Sig5 Fwd	\$ 174.73
BoC Rate (Noon) prev. day \$1.3451 CAD / \$0.7434 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 lower this morning. US cash markets traded higher this morning following the choppy, sideways trend that has developed over the last two weeks. Hog numbers remain ample, but with packer margins still maintaining positive returns, buyers have been willing to compete. Procurement strategies since the start of 2017 appear to have a goal of securing market share in advance of the new plants coming on stream in the latter half of 2016. The record large packer profit margins of late 2016 have allowed packers to build a war chest for the coming year when the industry will see its largest surge in capacity in close to 20 years. This bullish factor for hog prices needs to be weighed against the heavy supply (projected at +5% for the last half of 2017) and uncertainty in export markets. Producers without protection in the July – Dec timeframe should consider covering up to 1/3 of their intended production at current prices.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher despite a fundamental picture that suggests more downside is indeed possible. Support comes from the technical side, where the oversold level has been breached providing at least some rationale for the move higher. Despite the move, however, the consensus is that the upside appears limited in the short to mid-terms where record production levels and decent weather in S. America could see a lot of product move into the global markets. The other potential pressure to consider revolves around the remaining long positions held by managed money and if/when those positions will be sold off.

US corn futures opened higher this morning. Like beans, US corn futures are thought to be poised for a bit of a recovery bounce after venturing into oversold territory themselves. Also like beans, analysts cite decent weather in South America and the potential for large production volumes to keep the upside in check. However, some positive news on the demand front came from news from China showing the largest one-time purchase of US corn in almost 4 years. The order has been confirmed as three loads but could be as high as between six and eight, and the news is providing some underlying support this morning.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		160.17 163.00	164.53 178.56	175.08 184.31	176.62 184.02	170.38 178.82	159.21 167.84	156.15 159.02	140.69 152.47	138.23 146.47
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
H.B. Marketing & MB West TODAY	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