

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 20, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
2.335 mil.	Last Week
2.188 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$65.97
National	\$72.38
Iowa/S. MN.	\$66.10
Signature 5	\$166.71
HyLife	\$169.64
Britco	\$161.62
TCP/BP2	\$166.71
4-Mo. Sig5 Fwd	\$ 174.09
BoC Rate (Noon) prev. day \$1.3369 CAD / \$0.7480 USD	
Cash Prices Week Ending March 18, 2017	
Signature 3	165.68/75.15
Signature 4	173.03/78.49
Signature 5	169.36/76.82
h@ms Cash	167.86/76.14
HyLife	171.32/77.71
Britco	167.64/76.04
TCP/BP2	171.47/77.78
ISO Weans	\$42.36 US Avg.
Feeder Pigs	\$76.73 US Avg.
#1 Export Sows (+500lbs.) \$35.00/cwt. (Tagged)	

Forward contract prices opened lower this morning. US cash markets are called steady this week after last week's \$2.00 USD/cwt drop across most reporting regions. While the pork carcass cut-out was near steady last week, packers may have been cautious due to a slowdown in weekly export volumes. The USDA reported pork exports for the week ending March 9, as 13,000 MT, the lowest week so far in 2017. On the other hand, hog supplies have been abundant and showing no signs of a seasonal drop with last week's slaughter at 2.335 million, or 6.7% larger than year ago levels. Lean hog futures followed the cash market weakness with the summer month contract falling about \$2.00 USD/cwt over last week. The trade continues to weigh off the bearish factor of an expected 4% increase in pork production against the current strong indicators of demand. However, uncertainty remains over the sustainability of exports and competition from beef and chicken. Producers that have not yet covered some of their July – December price risk should look to hedge up to 1/3 of their intended production at current prices.

2017 District Meetings	Date	Time	Location
Heartland Marketing	Thurs., Mar. 23	2:00 PM	Starbuck Comm Hall - 25 Main St.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher to start the week, mostly, on technical grounds and managed money positioning. A recent sell off among the speculators has prompted talk that the action may have been a bit overdone, in turn, suggesting that fresh long positions may develop as a result, a supportive function. As well, beans have been residing in oversold territory providing technical rationale for a turn around. Regardless, the Brazil crop keeps being estimated higher and there was a second article suggesting that 111 MMT of production could come from the country. If true, this would represent a new record and be 3 MMT higher than the current USDA estimate.

US corn futures opened higher this morning. Like beans, a large shift by managed money has prompted talk that a recovery bounce could influence market direction this week. So far, that influence could indeed appear to be the case as US corn futures are trading higher to start the week. Other supportive factors include talk that China will cut planted corn area up to 40% this year amid large stockpiles and low pricing. As well, ethanol demand has been good. On the other side of the equation, Brazilian production keeps getting pegged higher (now at 98 MMT) and another publication has acknowledged that Mexican corn buyers are negotiating with South American (as opposed to US) suppliers.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		159.02 161.06	162.26 176.34	172.85 182.11	176.07 182.57	170.16 178.65	158.93 167.61	155.47 158.34	140.33 152.14	137.86 146.12
Soymeal Wpg Delivered.	469	483	483	481	481	488				

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.

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