



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 23, 2017

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

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

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

US Slaughter	
441,000	Wednesday
438,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$66.32
National	\$71.97
Iowa/S. MN.	\$66.38
Signature 5	\$166.38
HyLife	\$168.72
Britco	\$162.04
TCP/BP2	\$166.38
4-Mo. Sig5 Fwd	\$ 167.33
<b>BoC Rate (Noon) prev. day</b> \$1.3347 CAD / \$0.7492 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.) \$37.00/cwt. (Tagged)	

**Forward contract prices opened lower this morning.** US cash markets continue to sink lower this week as packers are having no difficulty sourcing the live supplies to meet their daily production needs. After trading in a narrow range around \$81 USD/cwt for the last month, the pork carcass cut-out fell by about \$2.00/cwt and to its lowest level since mid-January. Weakness was widespread over all the primal cuts except for pork bellies which showed modest support in yesterday's trade. The USDA released its latest Cold Storage report yesterday, which reflects the amount of pork that moved into registered inventory. The numbers suggest that the volume of pork moving remains very good given the high production levels as reflected by inventory that is down 9% from last year. However, supplies on February 28 were up 9% compared to a month earlier, when the normal trend is +5% from January to February. Producers should take price protection on up to 1/3 of their July – December production at current prices in order to secure profitable production in uncertain, dynamic market conditions.

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

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are again trading lower this morning and the US base price for meal is approaching levels last seen in October 2016. Massive supply estimates and non-threatening weather forecasts are behind the pressure and there is talk that despite residing in a technically oversold position, there is still room for the trade to move lower. A relatively low CAD is preventing Canadian meal buyers from taking direct advantage of the development and spot prices remain approximately \$20 CAD/MT higher than October levels. Regardless, there is a general consensus that more price pressure is ahead of a return to seasonal support.

**US corn futures opened lower this morning.** Corn traded on Chinese markets have been seeing support following news that the government intends to reduce planted acreage in an effort to boost low prices as well as utilize large stockpiles. On the other side of the world, however, US corn futures continue to probe for a bottom. Word of increasing yields in Argentina, a large Brazilian crop, low cash values and weakening basis are all pressuring the market. Ethanol demand could be stable as no new changes were made to the mandate which could provide some underlying support. However, as rumors that Mexico is more aggressively seeking alternatives to US corn develop, export demand could take a hit in the 2017/18 season.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		157.39 159.43	155.16 169.21	167.36 174.97	168.14 174.69	162.67 171.14	155.23 163.90	152.19 155.07	138.17 149.99	135.70 143.97
Soymeal Wpg Delivered.	459	468	468	471	471	479				

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.

**h@ms Marketing would like to remind all producers and industry partners of the impacts of Daylight Saving Time on Risk Management operations. Trading is now open:**  
9:30 - 12:30, Central Daylight (MB)  
8:30 - 11:30, Central Standard (SK) and Mountain Daylight (AB)  
7:30 - 10:30, Pacific Daylight (BC)