

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 30, 2017

For details call: (204)235-2237 or visit www.hamsmarketing.ca

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

US Slaughter	
442,000	Wednesday
436,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$62.62
National	\$70.03
Iowa/S. MN.	\$62.66
Signature 5	\$159.86
HyLife	\$164.71
Britco	\$153.24
TCP/BP2	\$159.86
4-Mo. Sig5 Fwd	\$ 162.96
BoC Rate (Noon) prev. day \$1.3372 CAD / \$0.7478 USD	
Cash Prices Week Ending March 25, 2017	
Signature 3	162.00/73.48
Signature 4	170.77/77.46
Signature 5	166.39/75.47
h@ms Cash	164.89/74.79
HyLife	168.77/76.55
Britco	164.49/74.61
TCP/BP2	169.36/76.82
ISO Weans	\$41.30 US Avg.
Feeder Pigs	\$76.30 US Avg.
#1 Export Sows (+500lbs.)	\$42.00/cwt. (Tagged)

Forward contract prices opened lower this morning.

US cash markets pushed lower for a third day in a row this week with WCB and ISM reporting regions coming in \$0.55 USD/cwt and National \$0.47 USD/cwt lower than previous session. Heavier weights and a lowering cut-out are cited as rationale for some of the current cash weakness. Lean hog futures markets are trading in a choppy pattern ahead of the Quarterly Hogs and Pigs report that will be released at 3PM, Eastern (2PM, Central). The wide range of some pre-report estimates is notable; so too are the average estimates that, despite the ranges, are coming in relatively high. The degree to which the USDA converges with pre-report assessments, combined with the health of the US export market will likely set the tone for the coming months. Regardless, the market is in a technically oversold condition, so surprises in the report could reinvigorate the bulls. Setting targets is one way for producers to take advantage of unknown market volatility, especially if it develops.

Analysts' Expectations vs. March Quarterly Hogs and Pigs Report			
	Range % of 2016	Avg. In % of 2016	March Report
All hogs	102.6-105.0	103.9	
Breeding	101.0-102.3	101.7	
Marketing	102.7-105.1	104.1	
>180 lbs.	103.7-107.5	105.0	
120-179 lbs.	103.4-106.0	104.6	
50-119 lbs.	102.0-106.1	104.1	
<50 lbs.	101.7-105.0	103.4	

Source: Umer Barry in DLR

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading lower, described as being 'led by' the oil component of the complex which is down a full percentage point from the previous session. As well, there are thoughts that some US farmers will opt for bean planting (over wheat, for example) in some of the northern states where a wet spring may favour the bean crop. Regardless, acreage could be up near 5 million acres from last year in tomorrow's Prospective Planting report which would be a bearish development, especially if higher.

US corn futures opened lower this morning.

Trading ahead of the Prospective Plantings report tomorrow is expected to be slow and the market is trading lower. There are some interim concerns regarding the weather in both hemispheres as Argentina moisture could slow and even damage some crops in lower lying areas. In the US, a wet spring in the delta could delay some early planting, but the moisture is generally welcome and not a problem yet per se. There is talk more Chinese reserves could be released to curb rising prices in parts of the country.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		150.97	150.66 164.68	161.21 170.43	164.20 170.66	157.91 166.36	149.59 158.22	146.56 149.43	132.41 144.19	129.95 138.19	133.57 141.82	142.41 145.59
Soymeal Wpg Delivered.	443	446	446	456	456	463						

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.

follow us @hamsmarketing


Some Important Phone Numbers

Main Office: 204-233-4991

Toll Free: 1-800-899-7675

Logistics: 204-235-2225

Risk Management: 204-235-2237

STRENGTH IN NUMBERS

