

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

US Slaughter	
444,000	Tuesday
437,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$60.52
National	\$67.86
Iowa/S. MN.	\$60.56
Signature 5	\$155.20
HyLife	\$159.92
Britco	\$148.58
TCP/BP2	\$155.20
4-Mo. Sig5 Fwd	\$ 162.94
BoC Rate (Noon) prev. day \$1.3415 CAD / \$0.7454 USD	
Cash Prices Week Ending April 1, 2017	
Signature 3	154.50/70.08
Signature 4	166.57/75.56
Signature 5	160.54/72.82
h@ms Cash	159.04/72.14
HyLife	164.06/74.42
Britco	160.94/73.00
TCP/BP2	166.39/75.47
ISO Weans	\$38.37 US Avg.
Feeder Pigs	\$67.20 US Avg.
#1 Export Sows (+500lbs.)	\$45.00/cwt. (Tagged)

Forward contract prices opened lower this morning. US cash markets continue to be pressured lower by abundant supplies with wholesale pork prices dropping to their lowest level since early December. While the estimated packer operating margins are still profitable, they have been cut in half since Christmas when they were at previously record high levels. The expectation of two new plants starting operations later this year has probably contributed to the change in operating margins, with excellent pork export sales providing the support. However, traders are cautious about the longer-term impact of the additional slaughter capacity as the volume of pork being produced is expected to exceed year ago levels by nearly 5%. Summer month lean hog futures are currently priced at a level lower than what we have seen for the last several years, however the fall and winter months are trading at a more modest discount to the 5-year average. Producers without price protection should consider pricing up to 1/3 of their July – Dec production at current prices to mitigate the effect of the record large pork production that is anticipated.

Canadian delivered soymeal prices opened higher this morning. Despite the bearish fundamental picture for the mid-term, the market has turned higher this morning. For the most part, short-term events can be cited as rationale for the move as well as a technically oversold condition that could see support return to the market if given a reason to do so. Potential reasons developing today include a protest in Brazil where trucks are being blocked into an as-yet unnamed port. Another reason includes some recent wet weather in Argentina (2-4 inches of rain) that could slow harvest progress and potentially damage yields. However, the supply side remains a bearish force and the new high-end estimate for Brazil recently came in at 113.8 MMT (!) from a private firm.

US corn futures opened higher this morning. Like beans, US corn futures are also seeing some support this morning, but unlike beans, the consequences could be further reaching. Second (Safrinha) crop corn in Brazil is facing some dry weather which could spark production challenges. Early planting in the US is expected to slow as some bands of wet weather in the southern Corn Belt prevent farmers from getting onto fields. The wet weather will help soil moisture, but slow the progress of planting an already 'reduced' acreage. With USDA acreage estimates now established as a benchmark, market moves will soon be reacting to the ebbs and flows of crop development, and likely, daily weather developments.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		149.75 163.88	160.38 169.68	163.79 170.30	158.22 166.73	149.54 158.24	146.47 149.36	132.57 144.45	130.09 138.40	134.86 143.16	143.76 146.96
Soymeal Wpg Delivered.	441	441	450	450	458	458					

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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

