



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, April 19, 2017

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

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Hog Prices: ↓↑ Soymeal: ↑↓

Corn: ↑ CDN Dollar: ↓

US Slaughter	
443,000	Tuesday
436,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$55.15
National	\$64.02
Iowa/S. MN.	\$55.13
Signature 5	\$143.66
HyLife	\$149.60
Britco	\$134.92
TCP/BP2	\$143.66
4-Mo. Sig5 Fwd	\$ 161.88
BoC Rate (Noon) prev. day \$1.3381 CAD / \$0.7473 USD	
Cash Prices Week Ending April 15, 2017	
Signature 3	140.40/63.69
Signature 4	155.30/70.44
Signature 5	147.85/67.06
h@ms Cash	146.35/66.38
HyLife	153.63/69.69
Britco	147.38/66.85
TCP/BP2	154.93/70.28
ISO Weans	\$31.04 US Avg.
Feeder Pigs	\$61.29 US Avg.
#1 Export Sows (+500lbs.) \$42.00 /cwt. (Tagged)	

Forward contract prices opened mixed this morning. US cash markets declined in yesterday's trade with the negotiated prices in the Midwest losing nearly \$1.00 USD/cwt and approaching the lowest level so far in 2017. With hog supplies abundant, and averaging 440,000 hogs for week-day kills, pork merchandisers may expect to have more difficulty moving this volume of pork without taking price concessions in the months ahead. Lean hog futures are also factoring in the heavy supplies and the summer month futures were trading at their lowest level since October in yesterday's trade. However, the September – December timeframe has seen strong support, in part due to the expectation that competition between packers will support cash markets. Producers who have not yet covered some of their 4th Quarter production should use the recent support as an opportunity to cover a minimum of 1/3 of their Fall/Winter production at current prices.

Canadian delivered soymeal prices opened mixed this morning. US soybean futures are trading higher this morning, riding the momentum behind a technical bounce and thoughts that Brazil farmers are holding back sales until prices recover. They may not have to wait that long; recall that last year around this time, strength returned to the trade that didn't let up until mid June. However, there is not much to the bullish argument now save for some weather events that are not negatively impacting production estimates yet. The market is still digesting the large S. American crop that is likely on the way and if trend line yields develop in the US, another record production year could be on the horizon. Markets are called steady to lower in the near term, but surprises could spark the seasonal rally at any time.

US corn futures opened higher this morning. The market is trading at the lower end of the recently established range and not showing much signs of a sustained recovery, however. There is now, and will soon be, a lot of corn in the global marketplace and the US has been delivered a bit of extra disappointing news stemming from rumors suggesting a free trade deal between Mexico and Argentina is in the works, perhaps concluded by the end of the year. Speculation on the timing of the deal remains rampant, but not many disagree the motivation behind securing a deal now follows the relatively recent US election. Mexico is, so far, the number one export destination for US corn and Argentina would likely become a large competitor, even more so than now.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		155.70 160.60	157.08 166.42	162.92 169.46	157.60 166.14	151.84 160.58	148.69 151.59	135.30 147.22	132.81 141.15	137.25 145.53	146.13 149.33
Soymeal Wpg Delivered.	451	451	454	454	457	458					

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