



# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, April 25, 2017

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

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

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

US Slaughter	
442,000	Monday
422,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$53.75
National	\$61.86
Iowa/S. MN.	\$53.96
Signature 5	\$140.79
HyLife	\$147.02
Britco	\$133.39
TCP/BP2	\$140.79
4-Mo. Sig5 Fwd	\$ 162.90
<b>BoC Rate (Noon) prev. day</b> \$1.3516 CAD / \$0.7399 USD	
Cash Prices Week Ending April 22, 2017	
Signature 3	135.28/61.36
Signature 4	151.43/68.69
Signature 5	143.36/65.03
h@ms Cash	141.86/64.35
HyLife	149.06/67.61
Britco	138.79/62.95
TCP/BP2	147.85/67.06
ISO Weans	\$29.61 US Avg.
Feeder Pigs	\$59.08 US Avg.
#1 Export Sows (+500lbs.) \$44.50 /cwt. (Tagged)	

**Forward contract prices opened higher this morning.** US cash markets found support yesterday after numerous days of declines that have taken close to 10% of the value out of the live hog market. It is too early to know if this is a turning point in the hog market as hog supplies are still abundant. Wholesale pork prices did not support this rally as the pork carcass cut-out was down \$1.00 USD/cwt and within \$0.50 USD/cwt of the lowest level in 2017. The USDA reported that pork inventory in Cold Storage declined slightly from one month ago, matching the seasonal trend of the last two years. Stocks are down 10% compared to year ago levels, which indicates strong, steady demand both in export and domestic markets. The results will likely lend some support to the nearby futures contracts this morning, which until recently have been particularly weak. Producer focus should be on covering their fall and winter month production, with a minimum of 1/3 of their production covered at current prices.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures have turned lower after trading higher for the past couple sessions. Talk of increasing US planted acreage due to farmers' switching from corn to beans and a massive crop in Brazil is pressuring. However, there are a couple of supportive developments taking place. China's imports in the 1<sup>st</sup> quarter are up 20% over last year and there is talk that some of the Argentine crop is not recovering well from recent rainfall as was first hoped, potentially leading to reduced harvested acreage. While Brazil harvest is at 93% complete, Argentina's harvest is behind the five-year average pace by 21%. Argentina is the largest exporter of meal in the world.

**US corn futures opened higher this morning.** US corn futures are trading in a mixed and choppy pattern amid news that is anything but consistent. On the one hand, pressure comes from planting progress that ahead of expectations in the US and news that China's corn imports have fallen over 99% from year ago (the lowest since 2013). There is talk that the domestic and international price spread has narrowed making Chinese domestic corn more affordable for end users in the country. On the other hand, there are thoughts US corn acreage could be reduced if farmers switch acreage to beans, and there is more than one analyst cautioning against a 5% reduction in US trend line yield in 2017/18.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		162.60	159.05 168.48	163.88 170.48	158.79 167.42	151.99 160.82	148.78 151.71	133.97 146.00	131.45 139.87	138.19 146.56	147.16 150.39
Soymeal Wpg Delivered.	462	462	465	465	468	468					

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WINNIPEG LIVESTOCK  
HWY #6 AND RD 236

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