



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, May 01, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
2.290 mil.	Last Week
2.136 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$56.88
National	\$61.59
Iowa/S. MN.	\$57.03
Signature 5	\$145.93
HyLife	\$148.15
Britco	\$142.53
TCP/BP2	\$145.93
4-Mo. Sig5 Fwd	\$ 171.45
BoC Rate (Noon) prev. day \$1.3665 CAD / \$0.7318 USD	
Cash Prices Week Ending April 29, 2017	
Signature 3	135.25/61.35
Signature 4	149.57/67.84
Signature 5	142.41/64.60
h@ms Cash	140.91/63.92
HyLife	147.79/67.04
Britco	133.80/60.69
TCP/BP2	143.36/65.03
ISO Weans	\$27.38 US Avg.
Feeder Pigs	\$55.96 US Avg.
#1 Export Sows (+500lbs.)	\$44.50 /cwt. (Tagged)

Forward contract prices opened higher this morning. US regional cash markets finished last week steady with the previous week, but the gap relative to last year continues to grow. The Iowa/S. Minnesota region had prices reported at just under \$55 USD/cwt which is 20% lower than the same week last year. Cash prices have been pressured by the huge year over year increase in hog supplies which has averaged about 4% larger than year ago levels over the last 2 months. While the growth of 8% in export sales has helped to manage the increased pork supplies, the market is still heavily burdened and needs to grow both export and domestic demand significantly in order to initiate a price recovery. At current prices, the June lean hog futures values would allow producers to secure a 15% rally in the cash market over the next 6 weeks, which is at the high end of historical price trends. However, producer focus should be on the last half of 2017, where supplies are expected to continue to grow over year-ago levels by more than 4% while demand remains uncertain.

Canadian delivered soymeal prices opened higher this morning. The ag press still opines that there is more room for the market to move lower before a US weather premium becomes a strong feature of the bean market, but that development has not yet taken place. US soybean futures are trading higher to start the week on thoughts that strength in other grain markets has been supportive (i.e. wheat). The bears are citing large S. American volume, expected large volumes in the US, and some softening demand dynamics (particularly in oil where Chinese consumers are rejecting 'GMO' variants) as rationale for pressure in the near term. However, to date, the market has been reluctant to move lower and Canadian meal prices are holding in a similar pattern.

US corn futures opened higher this morning. There is talk that the current strength could be a function of some large fund traders exiting their short positions at the same time some adverse weather is prompting speculation that some of the heavily saturated areas already planted may need to be replanted. As well, planting pace is expected to come in a bit behind the average and is supportive as well. A wetter spring and consistent rainfall has slowed fieldwork, but the 6-10 day forecast is dry and corn farmers are known to make exceptional progress when the opportunity presents itself.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		168.38 177.86	173.93 180.57	168.20 176.88	159.91 168.79	156.59 159.54	139.90 152.00	137.38 145.84	144.45 152.91	153.52 156.79
Soymeal Wpg Delivered.	465	468	468	471	472	484				

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.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING;
SOWS
BOARS
LIGHTS
MARKET HOGS