



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, May 02, 2017

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

www.hamsmarketing.ca

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

US Slaughter	
421,000	Monday
431,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$57.75
National	\$61.28
Iowa/S. MN.	\$57.86
Signature 5	\$146.59
HyLife	\$147.39
Britco	\$144.55
TCP/BP2	\$146.59
4-Mo. Sig5 Fwd	\$ 172.21
BoC Rate (Noon) prev. day \$1.3660 CAD / \$0.7321 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.)	\$49.00 /cwt. (Tagged)

Forward contract prices opened mixed this morning. US cash markets started the week higher, with Midwestern regions reporting gains of more than \$0.60 USD /cwt. Cash prices will need to stay on this positive trend for the next 6 weeks in order to meet what is currently being offered on the June lean hog futures. Over the last 6 years, the cash market has gained a little over 5% of value in the May – June timeframe, while current forward prices are holding a \$27 CAD/pkg or 18.5% premium over the current cash market. With hog supplies expected to stay 4-5% higher than year ago levels, it may prove difficult to clear the market of the added supply without significant price concessions. Producers without price protection should consider hedging a portion of their summer production to secure a spring price rally that is more than triple the typical rally. However, the primary risk management focus should be on the Sep – Dec timeframe which is expected to have supplies that exceed record levels by an additional 3%.

Canadian delivered soymeal prices opened lower this morning.

While crops are moving off the field in S. America, there are thoughts that farmers are holding onto the recent production as they wait for higher prices. Depending how long farmers are able to hold onto the beans will likely influence the amount of support seen in the US bean market. For now, there is chatter that Brazil farmers in particular are not selling into the cash market which is in part providing some of the support seen today. Nevertheless, the meal market is likely more concerned with developments in Argentina, the number one meal exporter in the world. Harvest is behind approximately 20% of the 5-year average, but good yields are expected to offset logistical setbacks and could even make up for lost acreage in the region.

US corn futures opened lower this morning. The trade has turned around this morning following a 3% increase in value seen on Monday. Weather is driving the US market for now and some adverse conditions that included snow in some parts of winter wheat growing areas will result in production losses. This, in addition to the wet weather seen earlier was supportive for the corn market and there are thoughts that a portion of the US corn crop must be replanted. The good news is that the 7 day forecast is expected to be dry for most areas and below normal precipitation in others suggesting there will be a lot of activity as farmers attempt to take advantage of more favourable conditions.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		169.09 178.62	175.29 181.96	169.08 177.81	160.06 168.99	156.58 159.54	139.12 151.26	136.58 145.08	144.34 152.80	153.41 156.67
Soymeal Wpg Delivered.	460	463	463	467	467	481				

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