



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

Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, June 07, 2017

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

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US Slaughter	
435,000	Tuesday
433,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$76.5
National	\$79.04
Iowa/S. MN.	\$76.54
Signature 5	\$188.81
HyLife (prev. day)	\$187.56
Britco (prev. day)	\$188.43
TCP/BP2	\$188.81
BoC Rate (Noon) prev. day \$1.3461 CAD / \$0.7429 USD	
Cash Prices Week Ending June 3, 2017	
Signature 3	180.46/81.86
Signature 4	183.93/83.43
Signature 5	182.20/82.64
h@ms Cash	180.70/81.96
HyLife	182.81/82.92
Britco	176.31/79.97
TCP/BP2	179.54/81.44
ISO Weans	\$23.70 US Avg.
Feeder Pigs	\$52.06 US Avg.

Forward contract prices opened mixed this morning. US cash markets added to their recent gains as packers are still motivated to maximize their production capacity due to operating margins that are better than average for this time of year. However, the amount that the cash market will rally is contingent on the ability of the pork carcass cut-out to hold its value in the context of moderating export sales interest. With live hog supplies expected to hit the lowest level for the year in the next 4 weeks, and the new Triumph/Seaboard plant becoming operational shortly thereafter, packer margins are expected to tighten which should benefit producers. However, concerns over export market demand, both in pork and chicken, may limit gains over the next month and put more pressure on the fall and winter forward contract prices as the market tries to anticipate the price discount required to clear a market that will feature 5% more pork compared to last year.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are showing some strength ahead of the WASDE report that will be released Friday, June 9. There is talk that the funds could soon exit a rather large short position which would support the market into a potential rally pending a combination of WASDE information and weather forecasts. Currently, forecasts have shifted from too wet to too dry in some areas and it could be enough to spark the exit. Forecasts do show a bit of rain stretching from the Dakotas into Indiana, but the 0.1 to 0.5 inches expected will likely not be enough relief for areas that are experiencing a bit higher than normal temperatures presently. In the meantime, pre-report estimates show 2016/17 ending stock range between 400 and 458 million bu.; 2017/18 estimates are a bit wider at 435 to 612 million bu. for ending stocks.

US corn futures opened higher this morning. While US corn has shown some recent strength, it has yet to trade above the current \$3.80 USD/bu. resistance level established at the beginning of March. Like beans, there is talk the if the weather is uncooperative, fund traders may exit a large short position and support the market in the short term. Remember that adverse weather at this point could have a large impact on a crop where acreage is still undetermined conclusively; no official numbers on replanting or prevent plant acres have been released, and the consensus is that corn acreage will likely be reduced. The timeliness of precipitation has not been the best so far this year with too much rain during planting and a drier than normal weather pattern over the past 14 days that could be damaging to a developing crop if beneficial rain doesn't materialize soon.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		185.30 191.85	178.61 187.17	160.43 169.18	157.69 160.60	138.46 150.43	135.96 144.34	141.69 150.02	150.63 153.84	154.37 159.56	159.65 160.49
Soymeal Wpg Delivered.	441	441	447	448	458	459					

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