

# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, July 21, 2017

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

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

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

**Forward contract prices opened lower this morning.** US cash markets have traded consistently lower all week, with hog supplies ample and growing. Packers are taking a more defensive approach to their procurement program, as most anticipate that the weaker trend will continue over the next several months while hog supplies grow by an estimated 15%. Wholesale pork prices were lower for the second day in a row, which may indicate a seasonal high has been put in. However, the pork belly primal cut hit a new high of \$216/cwt in yesterday's trade as it continues to be the strongest cut of the pork carcass cut-out value. Lean Hog futures turned lower yesterday, with influence from the week's decline in the cash market, but also concern over the export market's recent performance. Weekly export sales of pork came in lower than year ago levels, and down nearly 40% from the recent 4 week average, despite the advantageous move in the value of the US Dollar.

**Canadian delivered soymeal prices opened lower this morning.** The soybean complex opened decisively lower this morning, after unanticipated rains fell in western Iowa where crops have been short of moisture. The medium term forecast still largely hot and dry for most of the Midwest, this morning's drop is likely only a temporary move unless there are significant changes. Recent estimates suggest that more than 40% of the US soybean crop is under heat stress given the current heat wave and shortage of moisture.

**US corn futures opened lower this morning.** Overnight rains in western sections of the Corn Belt have brought some relief to some of the dry areas needing rain, which led to this morning's 1.5% decline in new crop Corn futures. However, the market is still concerned about heat stress during the critical pollination phase of the crop, with an estimated 40% of the US crop at high risk.

US Slaughter	
439,000	Thursday
430,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$84.84
National	\$91.80
Iowa/S. MN.	\$84.84
Signature 5	\$200.39
HyLife (prev. day)	\$203.49
Britco (prev. day)	\$195.27
TCP/BP2	\$200.39
<b>BoC Rate (Noon) prev. day</b> \$1.2585 CAD / \$0.7945 USD	
Cash Prices Week Ending July 22, 2017	
Signature 3	198.66/90.11
Signature 4	206.29/93.57
Signature 5	202.47/91.84
h@ms Cash	200.97/91.16
HyLife	Unavailable
Britco	205.00/92.99
TCP/BP2	208.56/94.60
ISO Weans	\$27.51 Avg.
Feeder Pigs	\$53.49 US Avg.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		168.29 176.28	149.78 157.95	146.93 149.65	131.80 142.95	129.47 137.28	135.94 143.76	144.32 147.33	147.83 152.70	152.56 153.35
Soymeal Wpg Delivered.	444	444	447	458	462	462				

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STRENGTH IN NUMBERS

