



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, August 29, 2017

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

www.hamsmarketing.ca

Hog Prices ↓ Soymeal: ↑

Corn: ↓ CDN Dollar: ↑

US Slaughter	
449,000	Last Week
428,000	Year Ago
Daily Prices	
W. Corn Belt	\$65.84
National	\$76.60
Iowa/S. MN.	\$65.90
Signature 5	\$160.17
HyLife (prev. day)	\$168.41
Britco (prev. day)	\$150.44
TCP/BP2	\$160.17
BoC Rate (Noon) prev. day	
\$1.2482 CAD / \$.8012 USD	
Cash Prices Week Ending August 26, 2017	
Signature 3	162.61/73.76
Signature 4	181.12/82.16
Signature 5	171.86/77.96
h@ms Cash	170.36/77.27
HyLife	177.41/80.47
Britco	176.82/80.21
TCP/BP2	185.00/83.92
ISO Weans	\$22.06 US Avg.
Feeder Pigs	\$38.50 US Avg.

Forward contract prices opened lower this morning. US cash markets were down again to start this week with most regions reporting another \$1.00 USD/cwt loss. The cash market decline has averaged a \$1.00 USD/cwt drop every day for the last two weeks and is following the lead of wholesale pork prices which have experienced similar weakness. However, news that the new Seaboard Triumph Foods plant completed a test slaughter on 100 hogs last week suggests that the normal cash market factors at play may be disrupted when the plant meets its single shift goal of 10,500 hogs per day in the coming months. Nearby lean hog futures have appeared to have not yet been influenced positively by the news with the October and December contracts losing nearly \$2.00 USD/cwt so far this week. In fact, the October contract is trading at more than a \$15.00 USD/cwt discount to the current cash index price making it one of the largest discounts experienced in late August in years. Producers that are looking for more protection in the winter timeframe should focus attention on the Jan – Mar timeframe by setting targets \$15 CAD/ckg higher than the current forward price offering.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are once again trading lower in the absence of any substantively bullish news. When the incredibly destructive Hurricane Harvey pushes north and eastward as expected (regardless of being categorized as a hurricane or a tropical storm), there are thoughts that it will make harvest difficult and impact the quality of beans coming of the fields in the Mississippi Delta, Arkansas, and Louisiana. However, Louisiana isn't a top producing state and Arkansas and Mississippi only produce approximately 7% of national volume combined. What could impact prices in the short term, however, is if port traffic becomes delayed. There are some suggesting this is already a factor, as beans that would otherwise be destined for port are expected to get backed up.

US corn futures opened lower this morning. Trade watchers note that the push lower has resulted in five consecutive contract lows over the last five sessions. They also note that US corn futures are now in oversold territory suggesting a corrective bounce could be in the works and would likely develop even on some mildly bullish news. However, that news has yet to develop. The Crop Progress report released yesterday saw the national average stayed even with 62% rated good/excellent last week despite declines in some top producing states. Regardless, the national rating is on pace with the 10-year average. Hurricane Harvey could impact some early harvest areas, but the main concern at this stage is focused on logistics as opposed to yield damage...for now.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5			131.61 134.31	118.00 129.11	115.68 123.45	123.39 131.15	131.72 134.71	138.13 142.97	142.86 142.98	148.10 160.32	158.23 169.76
Soymeal Wpg Delivered.	423	423	409	412	412	418					

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Producers are invited to: New Location Grand Opening!

5270 Monterey Road, Headingley, Manitoba (beside h@ms)

Thursday, September 7 - 11:00AM to 3:00PM

Welcome - Pork On a Bun - Door Prizes