

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

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, August 31, 2017

For details call: (204)235-2237 or visit
www.hamsmarketing.ca

US Slaughter

449,000 Wednesday

436,000 Year Ago

Daily Prices

W. Corn Belt \$63.89

National \$74.94

Iowa/S. MN. \$63.91

Signature 5 \$157.64

HyLife (prev. day) \$165.07

Britco (prev. day) \$147.33

TCP/BP2 \$157.64

BoC Rate (Noon) prev. day

\$1.2605 CAD / \$0.7933 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 higher this morning. US negotiated cash bids were down about \$0.70 USD/cwt in Wednesday's trade which represents ten consecutive days of losses. The pork carcass cutout experienced only a moderate drop in yesterday's trade as pork bellies held firm for the first time in weeks. Cash market fundamentals that were not sharply lower were enough to provide some rationale for support which led to a higher close in the nearby lean hog futures market. The October contract, which expires in 40 days, is trading at nearly \$15 USD/cwt discount to the cash index suggesting that cash prices will lose more than \$2.00/cwt per week for the next six weeks. A number of factors are expected to influence lean hog futures over this timeframe including NAFTA renegotiations, TPP trade talks, the startup of two new slaughter plants, and growth in hog numbers that are expected to reach record levels. Producers that are looking to add price protection to winter production can utilize the added price volatility that is anticipated over the next two months by setting targets \$15 CAD/ckg higher than current forward prices for the Nov – Mar timeframe.

Producers are reminded of the upcoming Labour Day long weekend that will see h@ms Marketing Services' offices closed on Monday September 4.

Canadian delivered soymeal prices opened even this morning.

In a little less than two weeks, the September WASDE report will give traders some fresh news on supply and demand estimates. Already, there is commentary surfacing on which direction, if any, potential adjustments to the numbers will influence the market. For now, the consensus is for a bearish report. Analysts note that the improvement in the August good/excellent category from July gives the trade a bearish tilt when downgrades over those two particular months are typical. The market's attempt to find the interim low may have been achieved as US soybean futures are trading higher as of this writing, perhaps influenced by some colder weather in the forecast. As nothing has fundamentally changed, the turn higher could indicate a low has been found for now.

US corn futures opened higher this morning. Like beans, the US corn futures trade has turned higher this morning prompting talk that the interim low has been found after 10+ sessions of a trend that resulted in net losses since the pressure began. The market is in extremely oversold territory (18% relative strength index; 30% is considered oversold) making the turnaround somewhat unsurprising on technical grounds. However, massive beginning stocks, a relatively high yield estimate (considering the earlier weather concerns), and talk that farmers may soon sell old crop production (of which there is plenty) remain pressuring factors.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5			135.05 137.76	121.56 132.70	119.24 127.03	126.86 134.72	135.28 138.31	141.48 146.38	145.99 146.10	150.60 162.93	160.82 172.47
Soymeal Wpg Delivered.	423	423	409	412	412	418					

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Solutions for Modern Livestock Production

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