



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

# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, October 03, 2017

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

## Forward contract prices opened mostly higher this morning.

US cash markets started this week with stronger bids that ranged from US\$0.80/cwt to US\$1.50/cwt higher. This support represents the largest 'bounce' in cash hog values since July when prices topped for the year at US\$93/cwt. Wholesale pork prices were weaker in yesterday's trade, suggesting that packers were short supplies for their intended production run and used higher bids to fill that space. Gross packer margins are still very profitable at around US\$50/hog, suggesting that cash prices could make significant gains before packers start to lose money on slaughter operations. Lean hog futures experienced strong support in yesterday's trade with the December and February contracts rallying to their highest levels since mid-August. The market has seen renewed optimism despite the bearish results on last week's Hogs and Pigs report which showed near-term supplies to be about 4% larger than year ago levels.

## Canadian delivered soymeal prices opened higher this morning.

Yesterday's Crop Progress report showed that the harvest is progressing decently and while crop conditions are still published, the trade is more focussed on progress of the harvest as opposed to progress of crop development. Regardless, soybean conditions came in at 60% good/excellent condition against a 59% expectation. The percentage of the crop in good/excellent condition was the same as last week or improved in slightly more than half of the large production states and there is anecdotal evidence coming from the field that the harvest results are better than expectations. Harvest progress was pegged at 22%, a bit behind the 25% expectation (and compared to a 26% average).

## US corn futures opened lower this morning.

Crop conditions improved 2% in the good/excellent category compared to last week and came in at 63% when 61% was expected. US corn farmers are behind the average 26% harvested pace for this time of year coming in at 17% versus a 21% expectation. While the harvest pace is a bit of a disappointment, like beans, there is talk that the corn yield is better than what one might expect given chatter in the press for most of the season referencing late starts, increases in prevent plant acreage, and challenging growing weather. Regardless of the past commentary, it will be hard for the market to shake off the pressure of a 2+ billion ending stock estimate, late harvest or not (frost concerns due to lateness notwithstanding).

US Slaughter	
456,000	Monday
442,000	Year Ago
Daily Prices	
W. Corn Belt	\$49.41
National	\$56.90
Iowa/S. MN.	\$49.54
Signature 5	\$119.78
HyLife (prev. day)	\$124.99
Britco (prev. day)	\$113.30
TCP/BP2	\$119.78
BoC Rate (Noon) prev. day	
\$1.2505 CAD / \$.7997 USD	
Cash Prices Week Ending September 30, 2017	
Signature 3	108.93/49.41
Signature 4	130.04/58.99
Signature 5	119.49/54.20
h@ms Cash	117.99/53.52
HyLife	127.55/57.86
Britco	113.29/51.39
TCP/BP2	126.54/57.40
Year-to-Date Top-Up Estimate	
\$3.88/ckg (call for details)	
ISO Weans	\$24.70 US Avg.
Feeder Pigs	\$40.72 US Avg.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #5		126.51 131.18	126.44 134.22	132.27 143.43	143.99 146.99	147.44 155.59	155.61 155.73	157.30 169.54	167.44 179.01	174.16 175.56
Soymeal Wpg Delivered.	430	430	430	433	437	437				

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## h@ms 2017 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Lethbridge, AB	Tuesday, Oct. 24 - 12:00 Noon	The Coast Hotel & Conference Centre - 526 Mayor Magrath Dr.
Starbuck, MB	Thursday, Oct. 26 - 2:00 PM	Starbuck Community Hall - 25 Main Street
Steinbach, MB	Friday, Oct. 27 - 12:00 Noon	Smitty's Family Restaurant - 145 Park Road
Swift Current, SK	Tuesday, Oct. 31 - 12:00 Noon	Royal Canadian Legion #56 - 239 1st Avenue, NE
Saskatoon, SK	Wednesday, Nov. 1 - 12:00 Noon	Comfort Suites - 203 Bill Hunter Avenue