



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, October 05, 2017

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

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

Hog Prices: ↑ Soymeal: ↑

Corn: ↑ CDN Dollar: ↓

## US Slaughter

463,000 Tuesday  
435,000 Year Ago

## Daily Prices

W. Corn Belt \$51.86  
National \$57.45  
Iowa/S. MN. \$51.86  
Signature 5 \$122.94  
HyLife (prev. day) \$126.39  
Britco (prev. day) \$118.36  
TCP/BP2 \$122.94

BoC Rate (Noon) prev. day  
\$1.2479 CAD / \$.8013 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.

## Forward contract prices opened mostly higher this morning.

US cash markets continued their advance in yesterday's trade with daily gains averaging more than US\$1.00/cwt so far this week. The established packers will not give up their market share without a fight, resulting in price war, as the new plants attempt to sway hog producers to delivering animals to them. Most positive about the recent cash market fundamentals is the strength seen in the pork cut-out over the last few days. Ham values jumped around \$3.50 USD/cwt which has been the primary contributor to the strength in pork product prices. Lean hog futures continue to rally with expectations of the cash market to gain 10% of its value over the next week and strengthen even more into the heaviest production period. There is still a great deal of uncertainty regarding how the cash market will react to the new slaughter plants, but it is highly likely that packers will spend their healthy operating margins to ensure that they maintain their operating capacity.

**h@ms Marketing Services will be closed Monday, October 9 for Thanksgiving**

## Canadian delivered soymeal prices opened higher this morning.

While 'up' this morning, US soybean futures are trading amid the lower end of the newly established range that was defined in September. Chatter in the ag press is that a bit of a slowdown in harvest pace as well as thoughts that yields are tapering off somewhat as the harvest progresses east and northward are the main factors behind the supportive tone this morning. In other news, the Canadian dollar dropped almost a full 1/2 cent at opening, likely a function of the news that TransCanada will not proceed with its Energy East pipeline, an event that directly impacts forward looking GDP projections.

**US corn futures opened higher this morning.** Like beans, the support found in the corn trade this morning is likely attributed to a slowing harvest pace which has been brought on by recent rains in the Midwest. However, the rain has also been cited as rationale for increased bids along the Mississippi River. The reason is that the rain is starting to raise river levels and barge traffic is expected to increase. As the cheapest transport form becomes more viable, demand in the region typically increases. Both factors are providing a supportive tone to a market that has been trading near the bottom of the trading ranges since the lows put in this August.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #5		129.66 134.34	129.6 137.39	134.75 145.94	146.50 149.51	148.38 156.56	155.76 155.87	157.56 169.77	167.68 179.21	174.67 176.06
Soymeal Wpg Delivered.	426	426	426	430	433	433				

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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