



# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, October 06, 2017

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

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

Hog Prices: ↓ Soymeal: ↔

Corn: ↑ CDN Dollar: ↓

US Slaughter	
461,000	Thursday
437,000	Year Ago
Daily Prices	
W. Corn Belt	\$52.98
National	\$57.78
Iowa/S. MN.	\$53.03
Signature 5	\$125.27
HyLife (prev. day)	\$126.90
Britco (prev. day)	\$121.70
TCP/BP2	\$125.27
<b>BoC Rate (Noon) prev. day</b>	
\$1.2548 CAD / \$.7969 USD	
Cash Prices Week Ending October 07, 2017	
Signature 3	115.90/52.57
Signature 4	127.32/57.75
Signature 5	121.61/55.16
h@ms Cash	120.11/54.48
HyLife	126.14/57.22
Britco	108.68/49.30
TCP/BP2	119.49/54.20
Year-to-Date Top-Up Estimate	
\$3.92/ckg (call for details)	
ISO Weans	\$24.70 US Avg.
Feeder Pigs	\$40.72 US Avg.

## Forward contract prices opened mostly lower this morning.

US cash markets rallied consistently throughout the week, gaining on average US\$1.00/cwt per day over the last 5 trading days. This support represents a reversal in the two-month bearish trend which resulted in cash hog prices falling approximately 40% of their value. Continued strength in the cash market is contingent on the new plants adding production and bidding the group of uncommitted hogs higher as they attempt to buy market share. However, there are limits as to how high they can bid for hogs, with the value of wholesale pork prices being the determining factor. Export demand continues to be uncertain, with the latest weekly pork sales down about 13% from the average sales over the last month. Lean hog futures may have found some equilibrium between the bullish supply factors and bearish demand factors, and represent a fair hedging opportunity for producers looking to cover more of their November – February production.

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

## Canadian delivered soymeal prices opened even this morning.

US soybean futures are finishing the trading week near the middle of the recently established range that followed a narrow (yet, two-sided) trade over the course of the week. Next week, the USDA will release the October WASDE report that traders will be watching for direction. Private estimates ahead of the report are showing yields hovering around the present USDA estimates and even the 'low' estimate (49.3 bpa) has been raised 0.5 bpa from previous. Yield reports thus far have been better than expectations, but there are some recent anecdotal reports suggesting yield is tapering off as the harvest progresses, and there are thoughts that the northerly producing states will show yields to come in lower than expectations.

**US corn futures opened higher this morning.** US corn futures remain amid the low end of the trading range even though the trade itself is showing some support to finish off the week. The support is a far cry from any rally or turnaround, and instead, is thought to be a function of technical influence; among other things, US corn futures are oversold even in the face of very large ending stocks estimates. However, as the harvest slows somewhat and gets pushed back (due to delays), some commenters are starting to consider a potential frost threat noting some of the northern states are expected to get quite a bit cooler, and relatively quickly. Private, pre-WASDE report yield estimates are currently pegged higher than the current USDA 169.9 bpa.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #5		129.43 134.11	129.36 137.17	133.93 145.14	145.71 148.72	147.70 155.91	155.61 155.73	157.24 169.52	167.42 179.02	175.01 176.42
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