

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

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, October 16, 2017

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

US Slaughter

2.516 mil.	Last Week
2.305 mil.	Year Ago

Daily Prices

W. Corn Belt	\$58.16
National	\$61.62
Iowa/S. MN.	\$58.13
Signature 5	\$134.85
HyLife (prev. day)	\$135.26
Britco (prev. day)	\$132.75
TCP/BP2	\$134.85

BoC Rate (Noon) prev. day
\$1.2487 CAD / \$0.8008 USD

Cash Prices Week Ending October 14, 2017

Signature 3	126.90/57.56
Signature 4	132.39/60.05
Signature 5	129.65/58.81
h@ms Cash	128.15/58.13
HyLife	132.91/60.29
Britco	118.51/53.76
TCP/BP2	121.61/55.16

Year-to-Date Top-Up Estimate

\$3.89/ckg (call for details)

ISO Weans	\$32.38 US Avg.
Feeder Pigs	\$43.14 US Avg.

Forward contract prices opened higher this morning. US cash markets are poised to trade steady-to-higher this week following a similar trend experienced so far in the month of October. Last week's US slaughter came in near 2.52 million hogs, down slightly compared to the previous two weeks, but up more than 9% from year-ago levels. It was at this time last year that Hurricane Matthew hit North Carolina and closed Smithfield's Tar Heel plant for several days. Pork demand appears to be performing well; the most recent pork export sales gained slightly over year-ago levels and the pork cut-out value has been holding near steady even as pork production approaches near record levels. Lean hog futures continue to reflect some optimism about hog prices over the next 2 – 4 months with the December contract holding a \$3.00 USD/cwt premium over the current US cash index price while the February contract is trading at an \$8.00 USD/cwt premium. Producers with less than 30% of their production covered in this timeframe should consider adding price protection by using targets set \$10.00 CAD/ckg higher than the current forward prices.

Canadian delivered soymeal prices opened higher this morning. There has been more than one cautionary tale concerning dry weather in South America this morning and that markets ought to be watching the planting situation very carefully in the region for risk (or opportunity depending on the perspective of the participant). However, the morning trade has so far shrugged off the observations and are trading lower to start the week. Residual corrective action from last week's WASDE report is likely a factor as well as the idea that the markets are just watching the S. American situation for now which is by no means dire at this point. The Crop Progress report will be released after trading today.

US corn futures opened lower this morning. Like beans, US corn futures are trading lower to start the week, but unlike beans, last week's WASDE report was decisively more bearish, thus, less likely exposing the trade to any major corrective action. In fact, published analysis now shows that the stocks-to-use ratio for 2017/18 is expected to come in over 15% when anything over 10% is typically considered an indication of price pressure in the future. This follows from a yield estimate that is pegged at 171.8 bpa and an ending stocks volume over 2 billion bu. All told, the impact on prices is expected to be bearish and the projected range is coming in between \$3 and \$4 USD/bu. for the 2017/18 marketing year; the lowest level since 2006/07 and 2009/10.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		129.78 131.93	129.71 137.52	134.62 145.82	146.38 149.39	148.26 156.45	155.59 155.70	157.80 170.01	169.92 179.46	171.13 176.13	173.16 175.68
Soymeal Wpg Delivered.	439	439	439	443	447	447					

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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