



# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, October 17, 2017

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

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

Hog Prices: ↑Soymeal: ↓

Corn: ↓CDN Dollar: ↓

## US Slaughter

446,000	Monday
441,000	Year Ago

## Daily Prices

W. Corn Belt	\$59.34
National	\$62.16
Iowa/S. MN.	\$59.35
Signature 5	\$137.26
HyLife (prev. day)	\$136.60
Britco (prev. day)	\$136.00
TCP/BP2	\$137.26

BoC Rate (Noon) prev. day  
\$1.2529 CAD / \$0.7981 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 mostly higher this morning.

US cash markets continue their bullish trend higher with daily gains averaging close to US\$1.00/cwt in the Midwestern regions. Recent USDA data suggests that the daily production capacity exceeds the large hog supplies that are coming in which continues to develop greater competition between packers. US cash hog market have already climbed about \$10 USD/cwt over the last month at a time when prices typically come under pressure and fall \$2-\$4/cwt. If wholesale pork prices continue to hold their value, packer bids could rally an additional \$7.00/cwt before operating margins would move in to negative territory for some plants. Lean hog futures continue to project a further improvement in hog prices over the next 4 months with direct influence on the December and February contracts from the daily cash market. Most critical to maintaining profitable hog prices is the ability of the market to clear the record setting supply without large price concessions. Producers looking for more price protection should consider adding to forward contracts through the use of targets, set \$5 -\$10 CAD/ckg higher than current prices.

## Canadian delivered soymeal prices opened higher this morning.

Despite crop progress numbers that would otherwise be considered bullish relative to expectations, US soybean futures are trading lower this morning. Yesterday's Crop Progress report showed harvest at 49% complete compared to a market expectation that was pegged at 50%. Ultimately, a 1% difference is not much in the grand scheme where production numbers are still estimated to be relatively high at the same time the market is still adjusting to the bullish move following the October WASDE report. South American weather over the planting phase is being watched more closely; there are thoughts that if the drier weather continues, a larger premium will be built into the trade.

**US corn futures opened lower this morning.** Like beans, US corn futures are trading lower this morning. And also like beans, crop progress came in slightly behind the market's average expectation. However, corn's 2% difference (lower) has been shrugged off in the face of very large supply estimates and chatter from the field suggesting yields have been better than expected. Generally speaking, the weather remains dry in northern and Central Brazil although the 10-15-day forecast is calling for some rain. If the rain does not materialize, however, the trade will likely start pricing in more of a weather premium.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		132.37 134.52	132.30 140.11	135.86 147.06	147.63 150.64	148.55 156.75	156.28 156.39	158.31 170.56	168.46 180.04	171.65 176.66	174.24 176.77
Soymeal Wpg Delivered.	434	434	434	439	443	443					

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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