



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, October 19, 2017

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

www.hamsmarketing.ca

Hog Prices: ↑↓ Soymeal: ↓

Corn: ↑ CDN Dollar: ↑

US Slaughter

464,000	Wednesday
439,000	Year Ago

Daily Prices

W. Corn Belt	\$62.57
National	\$64.11
Iowa/S. MN.	\$62.58
Signature 5	\$142.65
HyLife (prev. day)	\$141.59
Britco (prev. day)	\$142.91
TCP/BP2	\$142.65

BoC Rate (Noon) prev. day
\$1.2486 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 mixed this morning. US negotiated cash hog markets were \$1.50 USD/cwt higher in yesterday's trade as packers maximized their daily production while likely hitting a new record for one day's slaughter at 464,000 hogs. Yesterday's gains returned cash hog prices to levels not seen since early September. On the pork side of the business, all the primal cuts were lower, with the exception of hams which were able to trade near-steady with levels seen earlier this week. The fact that pork prices have seen little impact from the huge supplies over the last month suggests pork demand, particularly in the US, is performing very well. The December lean hog futures contract is trading at \$3.00 USD/cwt premium to the cash market suggesting that most traders are optimistic prices will rise despite record production levels. However, the market is seeing more frequent and larger price fluctuations which suggests that there is a lot of uncertainty with the market fundamentals.

Canadian delivered soymeal prices opened lower this morning.

The US soybean futures trade is seeing some support ahead of the weekly export sales report. Last week, a very healthy 1.75 MMT was reported. This week, the market is looking for sales numbers to come in between 1.30 and 1.70 MMT. If that happens, it would give the trade some extra rationale for the recent support. Also supportive is the South American weather where planting is off to a challenging start amid some dry weather for many growing regions. Some models are suggesting that more moisture is on the way, but those wetter systems have not yet fully developed.

US corn futures opened higher this morning. While the futures are trading higher this morning, it's the context that matters. US corn futures have been trading at the low end of the trading range for some time now and, perhaps more importantly, within a relatively tight range that is expected to last for a while. In fact, one commodities firm attempted to put a number on it stating that there is a 68% chance that corn will trade between \$3.42 and \$3.57 USD/bu. for the next 37 sessions which would take that projection into the second week of December. This, of course, is under the 'all things equal' caveat; disruptions due to weather, logistics, and/or international trade dynamics (etc.) are always uncertainties. There is no guarantee that prices will remain within any range for any length of time.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		131.22 133.36	131.15 138.92	133.83 144.95	145.51 148.50	146.93 155.06	155.00 155.12	157.25 169.44	167.35 178.88	170.86 175.84	173.29 175.80
Soymeal Wpg Delivered.	437	437	437	444	448	448					

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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