



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, October 24, 2017

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

www.hamsmarketing.ca

Hog Prices: ↓↑ Soymeal: ↓

Corn: ↑ CDN Dollar: ↓

US Slaughter

483,000 Monday
440,000 Year Ago

Daily Prices

W. Corn Belt \$64.98
National \$66.19
Iowa/S. MN. \$64.98
Signature 5 \$149.57
HyLife (prev. day) \$146.79
Britco (prev. day) \$150.26
TCP/BP2 \$149.57

BoC Rate (Noon) prev. day
\$1.2644 CAD / \$0.7909 USD

Cash Prices Week Ending October 21, 2017

Signature 3 140.02/63.51
Signature 4 140.32/63.65
Signature 5 140.17/63.58
h@ms Cash 138.67/62.90
HyLife 140.91/63.92
Britco 128.60/58.33
TCP/BP2 129.65/58.81

Year-to-Date Top-Up Estimate

\$3.70/ckg (call for details)

ISO Weans \$35.93 US Avg.

Feeder Pigs \$47.78 US Avg.

Forward contract prices opened mixed this morning. US cash markets started the week slightly lower marking the first time in several weeks that negotiated prices fell. While the USDA reported yesterday's slaughter at 483,000 hogs, a portion of this large number likely represents production that was done on Sunday which was not previously reported. Wholesale pork prices continued a firm trend with ribs, butts and hams providing support that offset declines in loins and picnics. The latest Cold Storage report was released yesterday afternoon and showed pork supplies grew by 7% over the month of September. This leaves pork inventory still lower than year ago levels, but total meat supplies hit the highest level in 15 years as poultry stocks increased by 8% over last year's levels. Nearby lean hog futures struggled to maintain contract high levels in yesterday's trade and were pressured lower as abundant supplies weighed on the market. However, spring and summer forward prices continue to break into new highs; no action is recommended yet for this timeframe.

Canadian delivered soymeal prices opened lower this morning. The fundamental news for US soybeans was mostly supportive yesterday as the Crop Progress report showed beans are being harvested at a good pace. In fact, harvest as of last Sunday was pegged only 3% lower than the 5-year average and represented a 21% increase over harvested volume last week. Harvest is currently pegged at 70% compared to the 73% average and 49% last week. There is talk now that, considering the rapid pace (where market watchers were only expecting about 64% to be completed), the pressure on the trade related to harvest will start to dissipate as traders look to other variables that could impact final yield. Two more weeks of 15% or three of 10% would wrap up bean harvest for 2017 so long as farmers can get on their fields.

US corn futures opened higher this morning. US corn futures have been poised for a move higher following a trend that has seen the market trade among the lows put in last month. While far from a rally, US corn futures may finally have some support based on a harvest pace that has been lacklustre at best. The USDA showed yesterday that crop progress came in at 38% representing an increase over the previous week of only 10%. For perspective, the 5-year average is 59% at this time of year. Adding support is also thoughts that the ideal harvest weather is over for the time being meaning delays and rain (or frost) could influence premiums on the corn trade. There is talk that farmers chose 'beans over corn' last week which is why soybeans caught up while corn harvest was not as impressive.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		131.50	131.43 139.31	134.74 146.02	146.59 149.62	150.31 158.11	157.93 158.04	159.52 171.89	169.77 181.45	172.62 177.67	173.12 175.67
Soymeal Wpg Delivered.	423	426	426	431	435	435					

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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