



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, October 25, 2017

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

www.hamsmarketing.ca

Hog Prices: ↑Soymeal: ↓

Corn: ↑CDN Dollar: ↓

Forward contract prices opened higher this morning.

US cash markets finished near steady in yesterday's trade with US packers still adding hogs to the daily slaughter schedule. Yesterday's slaughter was estimated at 462,000 hogs, positioning the week's total to exceed 2.55 million hogs and break the record for the largest US weekly slaughter. Wholesale pork continues to move well through marketing channels despite the high production levels with prices maintaining a steady trend. While the USDA's Cold Storage report showed a larger than average build in pork inventory over the month of September (about 7% more than August), it was near expectations considering the increased production. Lean hog futures were marginally higher in early trade this morning, but the recent weakness in the Canadian Dollar has allowed both cash and forward prices to advance \$2.00 CAD/ckg over the last week.

Canadian delivered soymeal prices opened higher this morning. As the bean harvest progresses nicely in the USA, the weather has been challenging in some areas of Argentina and Brazil. While news of dry weather in South America has recently made the rounds, it should also be noted there are growing regions that are also too wet (e.g. southern Brazil) and both developments have had a supportive impact on the market. As well, news from Brazil suggests the president may not face corruption charges which will likely stabilize currency volatility while potentially putting a damper on aggressive selling if the currency (real) remains 'high', or at least, doesn't come under pressure. Also supportive was some short covering yesterday after the trade tested some support levels.

US corn futures opened higher this morning. South American weather remains a supporting feature in the US corn market despite the fact the US is still facing a lot of corn. Futures traders, however, are considering the impact of poor growing conditions in S. America. Recall that not long ago, aggressive corn selling in Brazil, coupled with less than ideal crop production left a shortage in the country that had to be filled with imports and the net result was support to US corn prices. There is talk, however, that the Brazilian currency (real) will remain relatively stable in the absence of a corruption charge against the president, so, for the time being, there is less of an incentive to sell aggressively into the international market.

US Slaughter	
462,000	Tuesday
444,000	Year Ago
Daily Prices	
W. Corn Belt	\$65.49
National	\$67.54
Iowa/S. MN.	\$65.5
Signature 5	\$151.94
HyLife (prev. day)	\$150.30
Britco (prev. day)	\$151.73
TCP/BP2	\$151.94
BoC Rate (Noon) prev. day	
\$1.2666 CAD / \$0.7895 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.

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		135.45	135.38 143.32	138.75 150.13	150.71 153.77	153.81 161.68	161.60 161.71	162.13 174.61	172.47 184.26	174.47 179.55	174.97 177.54
Soymeal Wpg Delivered.	430	433	433	437	441	441					

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h@ms 2017 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
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