Hog Margin Outlook

Meeting Your Marketing Needs

Friday, October 27, 2017

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

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

US Slaughter	
462,000	Thursday
405,000	Year Ago

Daily Prices	
W. Corn Belt	$65.17
National	$69.20
Iowa/S. MN.	$65.47
Signature 5	$155.43
HyLife (prev. day)	$155.53
Britco (prev. day)	$153.64
TCP/BP2	$155.43

BoC Rate (Noon) *prev. day*
$1.2831 CAD / $0.7749 USD

Cash Prices Week Ending October 28, 2017	
Signature 3	151.96/68.93
Signature 4	151.92/68.91
Signature 5	151.94/68.92
h@ms Cash	150.43/68.23
HyLife	n/a
Britco	143.33/65.01
TCP/BP2	140.17/63.58

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 higher this morning. *US cash markets are finishing this week in a slightly lower trend, but still gaining over last week by approximately $1.50 USD/cwt. Daily slaughter levels averaged close to 462,000 hogs in the US this week, but when you include the additional hogs slaughtered on Sunday, the total for the week is estimated to exceed 2.53 million hogs, a new record for US weekly slaughter. Hog supplies are matching the USDA's last Hogs and Pigs report, averaging close to a 4% increase over year ago levels. Wholesale pork price continue to perform very well amid the heavy supplies, with the pork cut-out gaining nearly $2.00 USD/cwt from last week's levels. Domestic demand appears to be in good shape as pork supplies are building at a manageable rate. Export sales are struggling to match year ago levels and Japan was the only major destination to increase its purchases of US pork over year ago levels according to the latest weekly sales report. The outlook for the spring and summer of 2018 remains very positive with the new hog plants contributing more competition for live hogs and narrowing the spread between hog and pork prices.*

Canadian delivered soymeal prices opened lower this morning. *US soybean futures are seeing some support to finish the week on information showing the South American planting progress is a bit sluggish in some areas. National planting pace was estimated at 20% for Brazil compared to a 19% average typical at this time, but a major growing region (Mato Grosso) was a bit behind the average pace and 16% slower than last year. The other issue with Brazil is that there is talk the progress is presently slowing down. Argentina is estimated at 17% planted which is considered about average, but saturated fields are preventing a real ramp up. However, like North American farmers, S. American producers can make up for lost time quickly if the conditions allow for it.*

US corn futures opened lower this morning*. Like beans, the planting pace in South America is slow or sluggish. However, the market has shrugged off the news amid plentiful domestic supply (currently). As well some regions are considered 'normal' and recall that national averages can mask conditions on the ground especially when one region is vastly different than another. For example, the average for Argentina is stated at 27.7%, but the core planting region is about 80% planted while southern locations are about 30% completed (the north is very slow coming in between 0 and 12%). Like Argentine beans, saturated fields are responsible for delays in some areas, but there is still time to get corn in the ground.*

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		136.20	136.13 144.15	141.50 152.99	153.58 156.66	155.69 163.63	163.44 163.56	162.72 175.32	173.16 185.07	175.20 180.33	175.27 177.86
Soymeal Wpg Delivered.	427	430	430	435	439	439					

h@ms 2017 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
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