



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, December 18, 2017

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

www.hamsmarketing.ca

Hog Prices: ↑Soymeal: ←→

Corn: ↑↓ CDN Dollar: ↓

US Slaughter

2.578 mil. Last Week
2.502 mil. Year Ago

Daily Prices

W. Corn Belt	\$56.30
National	\$65.18
Iowa/S. MN.	\$56.35
Signature 5	\$140.47
HyLife (prev. day)	\$146.90
Britco (prev. day)	\$132.27
TCP/BP2	\$140.47

BoC Rate (Noon) prev. day
\$1.2834 CAD / \$0.7792 USD

Cash Prices Week Ending December 16, 2017

Signature 3	135.88/61.63
Signature 4	151.37/68.66
Signature 5	143.62/65.15
h@ms Cash	142.12/64.47
HyLife	149.43/67.78
Britco	138.32/62.74
TCP/BP2	143.60/65.14

Year-to-Date Top-Up Estimate

\$4.12/ckg (call for details)

ISO Weans \$63.23 US Avg.
Feeder Pigs \$73.37 US Avg.

Forward contract prices opened higher this morning. US cash markets stabilized late last week after declines experienced over the previous 4 days were enough to secure hogs for a large Saturday kill. Last week's slaughter totaled 2.577 million hogs, the largest single week slaughter on record, and about 30,000 hogs more than the previous record set one year ago. Producers needed packers to increase their production run as average carcass weights had climbed to more than 214 lbs. which suggested that producers were falling behind on their marketings. Spring and summer lean hog futures have recovered some value over the last two trading days with most of these contracts trading within \$1.00 USD/cwt of their contract highs. Producers should seek protection on a portion of their intended May – August production in order to mitigate some of the uncertainty related to supply growth and export demand. Covering one third of spring and summer production at an average price of \$185 CAD/ckg provides certainty in a market that is chronically uncertain.

Canadian delivered soymeal prices opened even this morning. US soybean futures continue to drift lower, continuing the trend witnessed over the past couple sessions. Earlier 'highs' (the January contract traded at the upper end of the established range on Dec 5) have been replaced with ongoing pressure amid thoughts the funds are selling commodities at a rapid pace. While there is no real fundamental change for the move, there are further thoughts that those same funds may be poised to cover their (already) short positions ahead of the new year at a profit which would likely send the market higher. The extent to which this theory is true remains to be seen. In the meantime, US soybeans are approaching levels of support and could move toward the next level if the technical supports are breached.

US corn futures opened mixed this morning. Like beans, the US corn futures trade is currently subject to much speculation regarding the pressure currently seen. March corn is trading amid the lows as rumors on fund positioning remain rampant in the ag press. The market is well supplied, and one might suggest that the trade merely reflects that fundamental reality. However, there are others suggesting that the currently large net-short position held by the funds suggest they could be getting ready to exit those positions before the end of the year – and will attempt to do so before other market participants. In any event, corn futures have been under pressure since the summer and there is currently no fundamental story that would push the trade drastically in one direction or another... yet.

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		149.63 151.71	152.29 155.37	154.91 162.71	162.44 162.56	163.13 179.04	176.89 188.75	180.96 185.86	180.01 186.03	156.65 170.89	154.15 157.97
Soymeal Wpg Delivered.	442	445	451	451	454	454					

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Headingley Main Office	h@ms Holiday Schedule	Winnipeg Livestock (WLS)
Closed	Monday December 25	Closed
Closed	Tuesday, December 26	Closed
Closed	Monday, January 1	Closed
Special Note - Risk Management will be closed one hour early (at 11:30AM) on Friday, December 22		