

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, January 19, 2018

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

www.hamsmarketing.ca

Hog Prices: $\uparrow\downarrow$ Soymeal: \uparrow
Corn: \uparrow CDN Dollar: \downarrow

US Slaughter

432,000	Thursday
445,000	Year Ago

Daily Prices

W. Corn Belt	\$68.82
National	\$73.87
Iowa/S. MN.	\$68.97
Signature 5	\$160.10
HyLife (prev. day)	\$161.55
Britco (prev. day)	\$156.99
TCP/BP2	\$160.10

BoC Rate (Noon) prev. day
\$1.2446 CAD / \$0.8035 USD

Cash Prices Week Ending January 20, 2018

Signature 3	158.73/72.00
Signature 4	159.93/72.54
Signature 5	159.33/72.27
h@ms Cash	157.83/71.59
HyLife	n/a
Britco	156.89/71.16
TCP/BP2	152.33/69.10

2017 Top-Up Estimate

\$4.22/ckg (call for details)

ISO Weans \$74.91 US Avg.

Feeder Pigs \$82.20 US Avg.

Forward contract prices opened mixed this morning. US negotiated cash markets have weakened over the last several days, despite last week's strength that took negotiated values higher than most of the formula prices. With wholesale pork prices moving in a sideways trend, packers have eased off on their aggressive buying program with fewer hogs purchased on a negotiated basis compared to last week. Winter weather likely impacted the recent daily slaughter numbers with cold temperatures impacting transportation for the last half of the week. Most of the primal cuts that make up the carcass cut-out are trading at comparable levels to what they were last year, except loins which are trading at levels 12% lower than year ago. Lean hog futures opened lower this morning with bearish cash market influence and caution about supplies and export sales holding values down. Producers should consider securing prices on up to one third of their production from May – October at current prices which are near the highest levels experienced so far in 2018.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher to finish the holiday-shortened week (USA). An article appeared yesterday with a private analyst who suggested that Argentina production could come in lower than 50 MMT for the first time since 2012 (after flirting with a record-high 60 MMT in 2015). A forecast dry area covering 2/3rds of the growing region (10-15% of the crop could be already stressed) combined with an 'additional' 741,000 unplanted acres are factors cited for the reduction. Argentina is the largest meal exporter in the world and if losses are substantial, additional price support could return even if Brazil offsets bean production. US export sales came in higher for the entire complex, adding support.

US corn futures opened higher this morning. Short covering continues to be cited as rationale for the strength seen recently in the US corn futures trade. As well, weekly export numbers for the week ending January 11 showed that 2017/18 sales came in substantially higher than pre-report expectations. 1.888 MMT were recorded against a 0.500 – 0.800 MMT range and only 0.437 MMT last week. While decreases for Mexico were noted, the region still remains the number one destination for US corn. The net result has seen the trade break through the \$3.50 USD/bu. resistance level (March contract), but the corn market is not rallying just yet.

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		157.03 157.36	153.89 161.45	161.27 161.38	163.57 177.65	175.56 187.06	179.08 183.83	177.11 182.93	154.50 168.27	151.98 155.67	134.90 146.08	133.89 137.63
Soymeal Wpg/S. Man Delivered	443	443	443	452	452	456						

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.

follow us @hamsmarketing


Some Important Phone Numbers

Main Office: 204-233-4991

Toll Free: 1-800-899-7675

Logistics: 204-235-2225

Risk Management: 204-235-2237

STRENGTH IN NUMBERS

