

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, January 22, 2018

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

www.hamsmarketing.ca

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

US Slaughter

2.338 mil. Last Week
2.336 mil Year Ago

Daily Prices

W. Corn Belt	\$69.29
National	\$73.87
Iowa/S. MN.	\$69.52
Signature 5	\$160.80
HyLife (prev. day)	\$161.81
Britco (prev. day)	\$158.41
TCP/BP2	\$160.80

BoC Rate (Noon) prev. day
\$1.2459 CAD / \$0.8026 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	159.94/72.55
Britco	156.89/71.16
TCP/BP2	152.33/69.10

2017 Top-Up

\$4.22/ckg (call for details)

ISO Weans	\$73.03 US Avg.
Feeder Pigs	\$84.99 US Avg.

Forward contract prices opened higher this morning. US cash markets are called to open steady-to-lower to start this week. After big gains in cash prices experienced early in the month, the market has moderated and traded in a sideways trend over the last 10 days. However, the distribution of USDA market information and the transparency it provides will be disrupted due to the US Federal Government shutdown that started on Saturday. While the industry will continue to operate as per usual, prices will not be collected and reported as USDA staff will be absent due to operational funding not being approved. It is not known how long these disruptions will last, but the longer that the issue remains unresolved, the larger the impact on markets. Lean hog futures will be primarily focused on news coming from the latest round of NAFTA negotiations (that will not be impacted by the shutdown) later this week which look increasingly troublesome for the agriculture sector. If there is no progress made on negotiating a new agreement, President Trump may trigger the 6-month notice of exit which would likely result in declines to the October and December contracts.

Canadian delivered soymeal prices opened higher this morning. Market followers know that Argentina has been an area of concern recently, and estimates on potential damage have trickled out over the past couple weeks. We have learned, for example, that between 10% and 20% could be at risk of damage due to dry weather and that 700+k acres remain unplanted. New information suggests that only 37% of the crop is in good/excellent condition, potentially compounding the issues in Argentina if the weather doesn't change soon. Brazil, on the other hand, is estimated to offset Argentine losses, but the early harvest is off to a slow start coming in at 3.29% in the top producing Mato Grosso state compared to a 7.17% 5-year average.

US corn futures opened higher this morning. Unfavourable conditions in certain South American regions for corn growing and follow through buying on good export numbers last week has lifted the market to start this week's trading. The momentum has shifted and is a notable diversion from the lows seen before the US long weekend. The March contract is now trading above the psychological \$3.50 USD/bu. level, but is still trading in a tight range and has yet to break through the next level of resistance (around the \$3.54 mark). USDA reports will likely not be released during the current US government shutdown which began on January 20 meaning reports (export sales, grind, etc.) may not be forthcoming in a timely manner, or, at all.

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5			154.46 162.02	161.96 162.08	164.54 178.63	176.54 188.05	180.34 185.09	178.18 184.02	155.35 169.16	152.87 156.57	134.95 146.16	133.94 137.68
Soymeal Wpg/S. Man Delivered	448	448	448	456	456	459						

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

