h@ms MARKETING SERVICES

Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, February 20, 2018

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

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

US Slaughter	
2.384 mil.	Last Week
2.356 mil.	Year Ago

Daily Prices	
W. Corn Belt	$64.61
National	$72.16
Iowa/S. MN.	$64.60
ML Signature 5	$154.56
HyLife (prev. day)	$159.25
TCP/BP2	$154.56

***BoC Rate (Noon)** prev. day*
$1.2540 CAD / $0.7974 USD

Cash Prices Week Ending February 17, 2018	
Signature 3	156.56/71.02
Signature 4	165.39/75.02
Signature 5 Brandon	160.98/73.02
h@ms Cash	159.48/72.34
HyLife	163.73/74.27
TCP/BP2 Moose Jaw/Langley	165.93/75.27

2018 Top-Up Estimate
$1.54 /ckg (call for details)

ISO Weans	$68.21 US Avg.
Feeder Pigs	$83.99 US Avg.

Forward contract prices opened higher this morning. *US cash markets could find support this week and recover from the losses experienced over the last week that saw influence from declining pork product prices. Hog slaughter was estimated at 2.384 million hogs in the US last week, about 1.2% larger than year ago levels and very close to the same as the week previous. Most US packers were operating a full schedule yesterday, US Presidents Day, but with USDA not publishing the information. Wholesale pork prices recovered value that it had lost in the previous week, with gains in Hams and Bellies contributing to $1.00/cwt increase to the carcass cutout. The support allowed Lean Hog Futures to start the week on a positive note, with the Spring and Summer contracts gaining close to $1.50/cwt in early trade today. The October – December contracts also made gains this morning, and when combined with a weaker Canadian Dollar, has returned forward prices in this critical period to near their highest levels seen so far in 2018.*

Canadian delivered soymeal prices opened higher this morning. *The weather in Argentina continues to dominate and support the market. There was better than expected rain in the Central Buenos Aries region over the weekend, but there is more talk that the benefits of that rain will be short-lived, and the region to be critically dry once again by mid-to-end of this week, if more rain does not come. The market has hit highs not seen since August of last year. Also supportive are the impacts of a recent non-unionized truckers' strike that saw ~100 ships lining up at the port of Rosario (handling ~80% of exports) as supply pipelines ground to a halt. This strike has ended, but it will take some time for port traffic to clear and normal logistics to resume.*

US corn futures opened higher this morning. *Like beans, US corn futures are trading higher to start this holiday-shortened week. Unlike beans, the US corn trade has not yet rallied to August levels. They do, however, remain at the upper end of the range. There is still a lot of US corn to clear which is likely a factor keeping the upside in check. As well, residual effects of the Lunar New Year holiday are keeping buyers at bay. In other news, new port facilities in Brazil have seen an 80% increase corn (and soybeans) movements compared to year ago. The new terminals are further north and closer to EU and Asian markets.*

Fixed Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		150.19	150.06 150.40	156.08 171.02	168.91 180.56	174.23 179.04	173.08 178.97	152.46 166.41	149.90 153.64	133.21 144.53	132.19 135.98
Soymeal Wpg/S. Man Delivered	521	521	521	521	519	519					

2018 District Meetings	Date	Time	Location
Swift Current	Tuesday, February 27	12:00 Noon	**Days Inn**-905 North Service Road East, Swift Current
Saskatoon	Wednesday, February 28	12:00 Noon	**Comfort Suites** - 203 Bill Hunter Ave., Saskatoon
H.B. Marketing & MB West	Thursday, March 1	2:00 P.M.	**Glesby Centre** –11-2nd St. NW, Portage La Prairie
Manitoba East	Friday, March 2	12:00 Noon	**Smitty's Restaurant** - Clear Spring Centre, Steinbach
Heartland Marketing District	Thursday, March 8	2:00 P.M.	**Starbuck Community Hall** - 25 Main Street, Starbuck