



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, March 13, 2018

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

www.hamsmarketing.ca

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

US Slaughter	
460,000	Monday
439,000	Year Ago
Daily Prices	
W. Corn Belt	\$60.30
National	\$67.53
Iowa/S. MN.	\$60.28
ML Signature 5	\$147.79
HyLife (prev. day)	\$152.60
TCP/BP2	\$147.79
BoC Rate (Noon) prev. day	
\$1.2830 CAD / \$0.7794 USD	
Cash Prices Week Ending March 10, 2018	
Signature 3	148.14/67.20
Signature 4	157.55/71.46
Signature 5 Brandon	152.85/69.33
h@ms Cash	151.35/68.65
HyLife	155.95/70.74
TCP/BP2 Moose Jaw/Langley	151.91/68.91
2018 Top-Up Estimate	
\$2.76 /ckg (call for details)	
ISO Weans	\$60.34 US Avg.
Feeder Pigs	\$88.53 US Avg.

Forward contract prices opened higher this morning. US cash markets in the Western Corn Belt and Iowa/Southern Minnesota regions regained approximately \$0.50 USD/cwt. after falling over \$2.60 USD/cwt in the previous session. On the other hand, the National reporting region was under pressure coming in almost 90 cents lower on the day. However, this not a surprising development as the National region typically follows the lead of the other two (either higher or lower) which are more sensitive to volatility. The carcass cut-out remained steady-to-higher although it is interesting to note that the belly primal is 40.2% lower than at the same time last year, likely on large freezer supplies because demand is still good. Lean hog futures values attempted to climb back from yesterday morning's opening sell-off, retaking some of the lost value and are trading higher as of this writing. So long as the hog futures contracts remain steady-to-higher, there could be increasing value in Canadian forward contracts, then, as the Canadian dollar has also dropped abruptly to approximately 77.5 cents (USD) at around 9:20 AM this morning in reaction to a speech by Bank of Canada Governor Stephen Poloz.

Canadian delivered soymeal prices opened higher this morning. While the fundamental picture in Argentina could be concerning for meal buyers, there is no shortage of speculation on the potential for Chinese trade retaliation in response to the import tariffs on aluminum and steel. Argentina is extremely important to the global meal market, but China is still the number one customer of beans from the USA where approximately one third of all US production is destined for the export market (all countries). The export tariff story will likely take carry more weight in the coming days, but until an official response is announced, the market is very much in a wait and see pattern.

US corn futures opened higher this morning. Comparatively, US corn futures will be slightly less impacted by any retaliatory trade measures taken by China as China (relatively speaking) is not a large customer for US corn. But it will have some influence and it will likely pressure. In the meantime, the US corn futures trade has backed off the recent highs following the release of Thursday's WASDE report. While there were some adjustments lower on the North and South American supply side, there is still a lot of corn in the marketplace.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		151.40 151.40	152.61 167.93	165.76 177.70	170.08 175.00	169.25 175.28	151.06 165.33	148.63 152.46	134.61 146.20	133.56 137.44
Soymeal Wpg/S. Man Delivered	514	514	514	521	521	520				

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2018 PIC Road Show - This year's agenda is focused on increasing producers' profit potential by as much as \$100 per sow and targeted to WF, Sow & Production Employees/Managers. **Please join us at one of the locations below.**

Tuesday, April 10

Strathmore, AB
Travelodge
350 Ridge Road

Wednesday, April 11

Swift Current, SK
Days Inn
905 N. Service Road E.

Thursday, April 12

LaSalle, MB
Kingswood Golf Club
Provincial Road 247

Register your team before March 23 by calling 1-615-265-2803 or emailing pic.events@genusplc.com