

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 15, 2018

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Hog Prices: ↑Soymeal: ↔

Corn: ↓ CDN Dollar: ↓

US Slaughter	
463,000	Wednesday
443,000	Year Ago
Daily Prices	
W. Corn Belt	\$59.40
National	\$67.57
Iowa/S. MN.	\$59.44
ML Signature 5	\$148.09
HyLife (prev. day)	\$153.55
TCP/BP2	\$148.09
<b>BoC Rate (Noon) prev. day</b>	
\$1.2944 CAD / \$0.7726 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	\$49.34 US Avg.
Feeder Pigs	\$87.51 US Avg.

**Forward contract prices opened mostly higher this morning.** US cash markets continued their steady down trend in yesterday's trade with regional prices reportedly down \$0.50 USD/cwt from the previous day's trade. Daily slaughter levels continue to vary, but packers are opting to maintain a full production schedule for four days a week, while Friday and Saturday are well under production capacity for the last several weeks. The major cuts making up the pork carcass cut-out are seeing higher than normal levels of volatility with loins, hams and bellies all experiencing a \$5.00 USD/cwt decline in the last two days. This has taken the pork cut-out value to its lowest level in more than two years. While recent data suggests that export volumes and values are in good shape, the market is heavily reliant on this segment to clear the added (5+%) production and traders have discounted prices to reflect president Trump's protectionist stance that could put US ag exports at risk. Producers should cover one third of their production in the Sep – Dec timeframe at current, profitable prices.

**Canadian delivered soymeal prices opened even this morning.** US soymeal futures are moving around in the day-to-day, but for Canadian producers, the net result has meant very little movement from the recent high prices when converted to CAD/MT and factoring in foreign exchange moves. US beans were pressured yesterday which brought prices marginally lower. However, the trade has recovered somewhat and combined with the Canadian dollar's move lower this morning, meal prices are even from the previous day. A recent Prospective Plantings report survey has put soybeans at 92.1 million acres for 2018. If normal weather patterns develop over the growing season, the trade could be pressured on large US supplies at harvest; this is also the USDA's current stance.

**US corn futures opened lower this morning.** Supportive factors include news that export sales for the week ending March 8 are coming in 35% over the previous week and 41% over the four-week average. The longer forecast suggests there is more dry weather ahead for South America after some expected rainfall passes through (specifically in Argentina). Pressuring factors include growing ethanol stocks and a declining crush (although this is expected as stocks build ahead of the summer driving season). There is also a bit more of a 'risk off' sentiment as external markets attempt to digest the daily news feeds on trade issues. Regardless, US corn is still priced amid recent highs.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		147.94 147.94	154.93 170.38	168.20 180.24	174.31 179.28	174.40 180.50	155.02 169.43	152.08 155.93	137.08 148.76	136.03 139.93
Soymeal Wpg/S. Man Delivered	518	518	518	525	525	524				

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**PIC**

**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](mailto:pic.events@genusplc.com)