



# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, March 21, 2018

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

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

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

US Slaughter	
464,000	Tuesday
446,000	Year Ago
Daily Prices	
W. Corn Belt	\$55.68
National	\$65.29
Iowa/S. MN.	\$55.75
ML Signature 5	\$142.50
HyLife (prev. day)	\$150.29
TCP/BP2	\$142.50
<b>BoC Rate (Noon) prev. day</b>	
\$1.3077 CAD / \$0.7647 USD	
Cash Prices Week Ending March 17, 2018	
Signature 3	141.37/64.13
Signature 4	155.33/70.46
Signature 5 Brandon	148.35/67.29
h@ms Cash	146.85/66.61
HyLife	153.25/69.51
TCP/BP2 Moose Jaw/Langley	152.85/69.33
2018 Top-Up Estimate	
\$3.15/ckg (call for details)	
ISO Weans	\$50.44 US Avg.
Feeder Pigs	\$84.54 US Avg.

**Forward contract prices opened mixed this morning.** US cash markets continued their lower trend, losing an additional \$0.50 USD/cwt in most regions as hog supplies are abundant. Compared to the last Hogs and Pigs report, market hog supplies have exceeded year ago levels by more than 1% and have recently been 4% larger than last year's levels. While the addition of the new slaughter facilities last year has had the effect of making packer bids more competitive, the growth in pork production associated with the new expansion is depressing wholesale pork prices. Lean hog futures have factored in this larger than expected growth, with this added supply being a primary driver of the summer contracts' 10% decline over the last month. The Canadian Dollar gained about ¾ of a cent this morning with traders reacting to gains in oil prices as well as a story that suggests the US is dropping a contentious demand in NAFTA renegotiations. Producers are encouraged take forward protection on as much as 50% of their September - December production at current prices, as they represent good value at \$10 CAD/ckg higher than the cash price experienced over the same timeframe in 2017.

**Canadian delivered soymeal prices opened higher this morning.** The pressure that developed on Monday has reversed and the market continues to push slightly higher following yesterday's move in the same direction. There is talk of short covering taking place which is adding to the support. Improving moisture outlooks in Argentina (despite thoughts that much of the damage is already done – perhaps now, it just won't get any worse) and thoughts that China could buy as much as 100 MMT over the marketing year are providing rationale for the move. The big question is if China will purchase a bulk of beans from the US or seek supplies elsewhere. Regardless, it is widely known that China cannot maintain its pipelines without at least some supply from the USA.

**US corn futures opened higher this morning.** Like beans, US corn futures are trading higher as of this writing. Some news in the trade could provide rationale for additional support as there are rumors that the Trump administration could refrain from making major changes to the biofuels program (including ethanol) which could be a boon for the trade. Another source of support could be revealed next week when the Prospective Plantings report is released. Currently the trade is coming in with pre-report estimates between 88 and 89 million acres. The USDA's outlook suggested 90 million acres is possible this year compared to last year's 94 million acres planted.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		142.76 142.76	149.23 166.84	164.67 176.08	169.48 174.43	169.13 175.20	153.14 166.91	150.52 154.36	136.21 147.86	135.16 139.05	135.87 147.66	145.05 150.23
Soymeal Wpg/S. Man Delivered	510	510	510	518	518	518	518					

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