



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

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, March 23, 2018

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

www.hamsmarketing.ca

US Slaughter	
461,000	Wednesday
443,000	Year Ago
Daily Prices	
W. Corn Belt	\$53.83
National	\$64.15
Iowa/S. MN.	\$53.93
ML Signature 5	\$137.17
HyLife (prev. day)	\$146.30
TCP/BP2	\$137.17
BoC Rate (Noon) prev. day	
\$1.2908 CAD / \$0.7747 USD	
Cash Prices Week Ending March 24, 2018	
Signature 3	132.71/60.20
Signature 4	151.06/68.52
Signature 5 Brandon	141.88/64.36
h@ms Cash	140.38/63.68
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	148.35/67.29
2018 Top-Up Estimate	
\$3.65/ckg (call for details)	
ISO Weans	\$50.44 US Avg.
Feeder Pigs	\$84.54 US Avg.

Forward contract prices opened lower this morning. US cash markets are finishing the week lower and were down nearly \$1.50 USD/cwt in yesterday's trade, hitting their lowest level since early October. The market is heavy with hog supplies, allowing packers to maintain high, efficient production schedules without having to compete fiercely for the hogs. Yesterday's Cold Storage report showed moderate growth in pork inventory with all pork supplies up 8% from last year; pork bellies maintained stock levels nearly three times as large as last year. However, the market is largely focused on the latest development in Trump administration's trade policy that targeted China with an estimated \$50 billion USD in tariffs yesterday. China quickly responded with a plan to retaliate against the US action which includes a 25% tariff on US pork going into China. China consumes approximately 10% of US pork exports, but consumes approximately 1/3 of all US variety meat production. If implemented, the tariffs on US pork will negatively impact exports and favor US competitors in that market. Producers are encouraged take forward protection on as much as 50% of their September - December production at current prices. Forward contract prices in the Sep - Dec timeframe are down about 4% from the highs that they posted last week and represent profitable prices for most producers at a time of record large production and very uncertain export demand.

Canadian delivered soymeal prices opened lower this morning.

Yesterday's Export Sales report was delayed due to weather in the D.C. area that prevented and delayed movements along the eastern seaboard. Today we learned that export sales for week ending March 15 came in at 759,000 MT (at the low end of expectations and 35% lower than the four-week average). But the big story materializing is the Trump administration's 50 billion USD per year tariff announcement on a variety of Chinese items. Already, the state-run Chinese newspaper has published a story on the 'issue' of subsidized US soybeans being dumped into the country, perhaps providing insight on what will likely soon follow because beans have not yet been officially pegged in the Chinese response...yet. Regardless, beans are sharply lower this morning while Canadian meal remains high but is trending lower.

US corn futures opened lower this morning. The announcement of the \$50 billion USD tariff plan against China is creating ripple effects in commodities markets not yet named in China's official reaction to the measures. The Chinese response currently 'only' amounts to about \$3 billion in counter-action and corn and beans have not been earmarked officially by China yet. However, markets are preparing for a longer and escalating trade war that only appears to be in the beginning stages, and the trade is decisively bearish at this time. There was a delayed export report released this morning and it also came in at the lower end of expectations. While considered bearish, the market appears focussed on other matters, however.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		133.50	172.98	158.25	163.56	162.69	147.18	144.71	130.79	129.75	131.78	140.82
Soymeal Wpg/S. Man Delivered	501	501	501	505	505	505	505					

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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