



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 26, 2018

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

www.hamsmarketing.ca

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

US Slaughter	
2.409 mil.	Last Week
2.323 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$52.69
National	\$63.71
Iowa/S. MN.	\$52.72
ML Signature 5	\$134.78
HyLife (prev. day)	\$144.74
TCP/BP2	\$134.78
BoC Rate (Noon) prev. day	
\$1.2856 CAD / \$0.7778 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	148.39/67.31
TCP/BP2 Moose Jaw/Langley	148.35/67.29
2018 Top-Up Estimate	
\$3.65/ckg (call for details)	
ISO Weans	\$42.91 US Avg.
Feeder Pigs	\$74.56 US Avg.

Forward contract prices opened mixed this morning. US cash markets continue the trend lower to start the week as the ISM and WCB regions came in lower by \$1.17 USD/cwt on average while the National reporting region was \$0.44 lower than the previous session. Packers do not have to bid aggressively for the abundant supply of hogs currently available despite new plant competition. Last week's slaughter was 3.9% higher than same week last year while the year to date numbers show a 3% increase when aggregated since the beginning of the year. The amount of pork produced relative to last year shows an increase of 4%. Adding to the pressure was the announcement by China that a 25% retaliatory tariff would be applied to US pork entering the country. Looking forward on that note, lean hog futures are notably lower (especially in the summer timeframe) although the fourth quarter values are not falling as fast or as sharply. There is talk that the market is technically oversold as, like stocks, there are ideas the move is a bit of an overreaction. As such, analysts are calling for a short covering bounce on technical grounds but that is never guaranteed; a 'bounce' or recovery may simply curb the run lower.

Canadian delivered soymeal prices opened higher this morning. US soybeans are trading firmer to start the week, mostly on news suggesting that Argentine weather has not produced as much moisture as at first thought over the weekend. There are also thoughts that some damage in certain areas may be too far gone for the crop to recover in any meaningful way. However, over 40 MMT are still expected to be produced from the country which still secures Argentina as the number three producer in the world. Prospective Plantings and quarterly socks numbers will be released on Thursday.

US corn futures opened lower this morning. Unlike beans, US corn futures are trading lower to start the week's sessions. The bearish tone comes from thoughts that residual weakness in wheat is pressuring as well as ideas that the trade is holding a 'burdensome' long position. There is still a lot of corn to clear the market before any meaningful recovery develops. But, recall that corn is still trading amid the highs seen last Sept/Nov despite the recent move lower that developed a week and a half ago.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5			145.34 162.86	160.70 172.05	164.98 169.90	164.14 170.17	148.05 161.73	145.66 149.48	131.23 142.83	130.19 134.06	131.32 142.98	140.40 145.52
Soymeal Wpg/S. Man Delivered	522	522	522	529	529	527						

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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