



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, March 29, 2018

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

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

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

US Slaughter	
462,000	Wednesday
448,000	Year Ago
Daily Prices	
W. Corn Belt	\$48.96
National	\$62.25
Iowa/S. MN.	\$49.06
ML Signature 5	\$129.17
HyLife (prev. day)	\$140.99
TCP/BP2	\$129.17
BoC Rate (Noon) prev. day	
\$1.2902 CAD / \$0.7751 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 higher this morning.** US cash markets are finishing the week by continuing the trend established earlier and coming in lower on this holiday-shortened week. Cash markets have been under pressure which is arguably a function of seasonality, large supplies and market uncertainty combined. With all the pressure on the markets (cash and futures), today's Quarterly Hogs and Pigs report has been overshadowed by headlines warning of trade wars with China in recent days. Regardless, the Quarterly Hogs and Pigs report is a big one (released only 4 times a year) and will provide the market with updated insights on the size of the US pig crop when released after trading today. To date, the USDA has been fairly accurate in their pig projections and the analysts' average estimates ahead of the report is coming in with a 3.1% increase of all hogs and pigs relative to last year and a 3.3% increase in the marketing herd (the largest y/y increase since the report started in the 1970s). Unfortunately, the traders will have to wait until Monday to react to the actual numbers as markets are closed for Good Friday. The markets, and h@ms Marketing, will be open on Easter Monday.

**h@ms Marketing Services will be closed Friday, March 30 for Good Friday. Forward contracting and pricing reports will be suspended.**

**Canadian delivered soymeal prices opened lower this morning.** Any trading taking place in today's morning session is likely a function of pre-report positioning as Prospective Plantings and Grains Stocks reports will both be released mid-trade today. Trading is also expected to be relatively light until 11:00 AM, Central time, when the reports are released. Markets are expecting a higher bean acreage than last year as farmers are expected to switch to the more profitable crop this year. Average estimates on acreage are coming in at 91.06 million acres; analysts' average estimates for stocks on March 1<sup>st</sup> are coming at 2.030 billion bushels compared to the 1.739 bushels the USDA reported last year.

**US corn futures opened higher this morning.** Like beans, US corn traders will be waiting for the two USDA reports for some ideas on direction in the short and medium terms as the reports will likely have some influence on both. In the meantime, analysts' estimates coming in ahead of the releases show March 1 stocks to be estimated at 8.703 billion bu. (compared to 8.622 billion bu. last year) while acreage is pegged at 89.42 million acres relative to the 90.17 acres stated by the USDA in 2017. Results and analysis will have to wait until Monday as markets (and h@ms Marketing) are closed for Good Friday.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5			147.20 164.70	162.53 173.87	167.93 172.85	166.63 172.67	148.41 162.12	145.59 149.41	130.02 141.60	129.98 132.85	130.79 142.49	139.89 145.04
Soymeal Wpg/S. Man Delivered	510	510	510	514	514	513						

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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)