



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, April 12, 2018

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

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

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

<b>US Slaughter</b>	
466,000	Wednesday
447,000	Year Ago
<b>Daily Prices</b>	
W. Corn Belt	\$48.34
National	\$56.82
Iowa/S. MN.	\$48.45
ML Signature 5	\$119.21
HyLife (prev. day)	\$126.19
TCP/BP2	\$119.21
<b>BoC Rate (Noon) prev. day</b> \$1.2584 CAD / \$0.7947 USD	
<b>Cash Prices Week Ending April 07, 2018</b>	
Signature 3	109.19/49.53
Signature 4	133.89/60.73
Signature 5 Brandon	121.54/55.13
h@ms Cash	120.04/54.45
HyLife	132.02/59.88
TCP/BP2 Moose Jaw/Langley	130.85/59.35
<b>2018 Top-Up Estimate</b> \$4.88/ckg (call for details)	
ISO Weans	\$33.14 US Avg.
Feeder Pigs	\$69.11 US Avg.

## Forward contract prices opened mixed to higher this morning.

US negotiated cash markets gained value in yesterday's trade with packers adding more than \$1.00 USD/cwt in most reporting regions. However, wholesale pork prices failed to move in the same direction; weakness has developed across almost all of the primal cuts resulting in the pork cut-out value losing approximately \$0.70 USD/cwt. US pork prices have declined to their lowest level in three years, a move that is well beyond the seasonal norm for this time of year. However, Lean hog futures have maintained most of their value when compared against the cash market trend and have recovered more than 7% of their value since the recent lows put in last week. Producers can currently achieve a price of approximately \$155 CAD/ckg in May, which would secure an average gain of \$8.00/ckg per week for the next four weeks. In addition to May, producers should look at covering a portion of their September - December production given the current bearish market fundamentals.

## Canadian delivered soymeal prices opened lower this morning.

US soybean futures have firmed up this morning following the early morning release of the export sales report. Pre-report expectations were for new and old crop sales to come in between 900,000 and 2,000,000 MT combined. The numbers show that sales came in at 1,510,500 MT representing a 33% increase over previous week and 74% higher than the rolling 4-week average. Soybeans may be earmarked for retaliatory tariffs by China, but the market is either waiting for the actual details of the trade sanction to come into force or is shrugging off the news. In likelihood, it is probably a bit of both because analysts note that China cannot simply sole source beans from any one competitor, and there are only three major exporters in the world, one of which is the USA.

## US corn futures opened higher this morning.

US corn futures are maintaining their position at the upper end of the range that was last established in early March. This morning's export sales report was bearish, however, as the market was expecting between 900,000 and 1,700,000 MT of corn to be sold (both crops) whereas only 839,900 MT net sales were reported. The numbers are down 7% compared to the previous week and 46% lower than the rolling 4-week average. Support appears to be a function of spillover strength in other commodities as well as an ethanol report that shows weekly production was up 4.9% over last year. As well there is news coming out of Brazil suggesting a smaller corn crop at 89 MMT in production, a figure that has been lowered from the previous estimate.

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		152.55 161.83	159.71 170.81	166.95 171.76	166.24 172.14	148.61 162.00	145.87 149.61	131.23 142.55	130.22 134.00	130.74 142.13	139.60 144.61
Soymeal Wpg/S. Man Delivered	516	516	523	523	525	522					

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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)