



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, May 14, 2018

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

www.hamsmarketing.ca

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

US Slaughter	
2.313 mil.	Last Week
2.266 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$62.55
National	\$66.34
Iowa/S. MN.	\$62.62
ML Signature 5	\$148.50
HyLife (prev. day)	\$149.16
TCP/BP2	\$148.50
BoC Rate (Noon) prev. day \$1.2779 CAD / \$0.7825 USD	
Cash Prices Week Ending May 12, 2018	
Signature 3	141.80/64.32
Signature 4	148.91/67.55
Signature 5 Brandon	145.36/65.93
h@ms Cash	143.86/65.25
HyLife	148.30/67.27
TCP/BP2 Moose Jaw/Langley	142.65/64.71
2018 Top-Up Estimate	
\$4.76/ckg (call for details)	
ISO Weans	\$30.97 US Avg.
Feeder Pigs	\$64.00 US Avg.

Forward contract prices opened mostly higher this morning.

US negotiated cash markets gained about \$3.00 USD/cwt in last week's trade with cash bids showing no obvious trends on a day-to-day basis. Packers have been loosely following the wholesale pork market which also saw gains of about \$4.00 USD/cwt over the last week. This rally is consistent in timing and magnitude with previous years and should be a feature of the pork market into the month of June. Over the weekend, trade negotiators working on a NAFTA deal failed to get a 'deal in principle' before trade representatives from Mexico, the USA and Canada all left Washington. The new 'deadline' of May 17 was introduced by the US Speaker of the House, Paul Ryan, claiming that a deal would have to be done by that day in order for US Congress to pass it into law in the current congressional session. Trade risk continues to be significant issue and a factor that has held back lean hog futures over the last several months. Summer month contracts are trading 14% lower than their highs, while the fall and winter contracts are down about 10% from the high seen in late February. Producers should view gains in the September – December timeframe as a hedging opportunity as record supplies combined with export demand risk could result in significant price weakness.

Canadian delivered soymeal prices opened higher this morning.

While some commentators think that more beans are coming back to the US following Chinese cancellations and that more acres and less exports are bearish, the market appears to be thinking otherwise this morning. It is true that 4 MMT of beans are currently 'held up' at Chinese ports, and if they get cancelled, that could 'return' 100 million bushels back to the US. However, managed money has been net buyers of beans recently and there is no guarantee that bean acres will be improved upon. Today's Crop Progress report is expecting between 25% and 28% to be planted in today's report, up from 15% last week. It is still a bit dry in the northern plains.

US corn futures opened mixed this morning. Unlike beans, US corn futures are trading in a mixed and choppy pattern. Ethanol production last week was the highest it has been in five years at this time of year (not the highest ever) amid lower-than-last-year's stocks. However, if the trend is maintained, production is poised to seasonally drop off as summer production becomes secured. Managed money exited some of their long positions, but there are ideas surfacing recently that the US could see some added interest in US corn on production challenges in South America. The weather could be a bit more cooperative further north but some rain over the corn belt this weekend was welcomed. Today's Crop Progress report is expected to show 55-60% planted from 39% last week.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		168.24 172.57	167.77 172.65	166.32 172.30	142.93 156.50	140.02 143.80	125.81 137.27	124.78 128.61	127.84 139.43	139.88 141.95	142.71 144.43	145.76 156.02
Soymeal Wpg/S. Man Delivered	544	544	547	541	541	537						

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.

WINNIPEG LIVESTOCK
HWY #6 AND RD 236



CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS