



Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, May 15, 2018

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

www.hamsmarketing.ca

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

US Slaughter	
459,000	Monday
440,000	Year Ago
Daily Prices	
W. Corn Belt	\$63.22
National	\$66.62
Iowa/S. MN.	\$63.22
ML Signature 5	\$149.56
HyLife (prev. day)	\$149.84
TCP/BP2	\$149.56
BoC Rate (Noon) prev. day \$1.2775 CAD / \$0.7828 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	\$31.39 US Avg.
Feeder Pigs	\$61.98 US Avg.

Forward contract prices opened mostly lower this morning. US cash markets gained about \$0.80 USD/cwt in yesterday's trade which is a positive indication in a market that has shown some conflicting factors over the last few weeks. Hog supplies are tightening, as reflected by an approximate 1% reduction in the number of hogs slaughtered compared to the previous week and a drop in hog carcass weights which suggests producers are meeting their obligations by pulling hogs ahead of their normal delivery schedule. Pork bellies and ribs have experienced good gains in value over the last week, adding about \$10 USD/cwt to last week's prices. However, loins and hams, which together represent about half of the hog carcass by weight, have shown no price appreciation over the same timeframe. Lean hog futures advanced more than \$1.00 USD/cwt in all 2018 contracts yesterday but have lost those gains in early trade this morning. However, weakness in the Canadian Dollar has helped to offset these declines in forward contract prices.

Canadian delivered soymeal prices opened higher this morning. US planting pace is ramping up nicely despite drought conditions in the southern plains and some dry weather near the international border: at least farmers can get on the fields. The ramped-up pace is providing some resistance this morning as well as thoughts that an agreement in principle on NAFTA will not be reached by the May 17 deadline (i.e. in two days). Planting progress came in at 35% planted versus a market expectation of 30% and the 26% five-year average.

US corn futures opened higher this morning. Unlike beans, US corn futures are finding some strength despite some good news on planting progress and some export market uncertainty. The primary export market for US corn is Mexico, so the strength is a bit counterintuitive considering that a NAFTA agreement in principle will likely not be reached by May 17. As well, the USDA has suggested farmers have planted 62% of the corn crop compared to the pre-report 59% estimate and the 63% five-year average.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		166.00 170.37	167.53 172.46	165.49 171.53	142.09 155.80	139.53 143.36	125.17 136.77	124.12 128.00	126.56 138.25	138.71 140.79	141.56 143.29	143.52 153.80
Soymeal Wpg/S. Man Delivered	545	545	548	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

LIGHT HOG PROGRAM!

ACCEPTING:
SOWS
BOARS
LIGHTS
MARKET HOGS