



Hog Margin Outlook

Meeting Your Marketing Needs

Friday, October 30, 2015

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

www.hamsmarketing.ca

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

Forward contract prices opened mostly higher this morning.

US cash markets are completing the week with their fifth consecutive day of losses across the Midwestern USDA reporting regions. Packer bids are trading at their lowest levels in six month following yesterday's drop of more than \$1.00/cwt. Providing the rationale for the cash market drop, is weakness in the pork cut-out which experienced more than a \$3.00/cwt drop in trade yesterday; most of the loss was associated with a near \$15/cwt drop in pork bellies. It is possible that the Cancer risk study released by the World Health Organization (WHO) earlier this week has some market participants stepping back from processed pork products following a significant amount of negative media coverage. Lean hog futures correctly factored the combination of weaker cash market fundamentals and the impact of the WHO report on pork markets that have dropped \$3-\$5/cwt over the last week. Forward contracts are finding support in the early morning trade following the positive influence from Lean Hog futures that are already at a steep discount to the cash market, and a weaker Canadian Dollar.

h@ms 2015 Fall Marketing Meeting Schedule (Remaining)		
Meeting	Date and Time	Location
TODAY - Steinbach	Fri., Oct. 30 - Noon	Smitty's Restaurant - Clear Spring Mall
Starbuck	Thurs., Nov. 12 - 2:00PM	Starbuck Community Hall - 25 Main Street

Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher after some sustained pressure that has been developing over the past week on good demand. There is talk that only 15% of soybean yields submitted are coming in under current USDA state forecasts, supporting the notion that national average yields will likely be raised in the next WASDE report (from the current 47.1 bpa record) and potentially add to the supply side, adding pressure. Today's support is thought to be in part a function of strong demand data and talk of short covering ahead of the November 10 WASDE report.

US corn futures opened mixed this morning. Despite the bearish fundamental picture, the US corn trade has turned around and is showing some strength after bumping against key technical support levels Thursday. However, the strength is not expected to last long and in fact is trading in a choppy pattern as of this writing. Information materializing on slowing DDG exports to China is rumored to have stemmed from dumping allegations adding pressure, along with talk that China will subsidize domestic end-users in order to utilize large excess state reserves. Recovering energy prices and a lowering USD are seen as supportive in the short to mid-term.

US Slaughter	
434,000	Thursday
432,000	Thursday (year ago)
W. Corn Belt	\$63.09
National Price	\$72.45
Daily Sig 3	\$152.30
Daily Sig 4	\$169.35
Thunder Creek	\$151.89
4-Month Fwd.	\$ 139.88
B of C Ex. Rate (Noon)	
\$1.3170 CAD / \$.07593 USD	
Cash Prices Week Ending October 30, 2015	
Signature 3	158.97/72.11
Signature 4	171.75/77.91
h@ms Cash	157.47/71.43
Hylife	n/a
Thunder Creek	167.20/75.84
ISO Weans	\$36.84 US Avg.
Feeder Pigs	\$50.34 US Avg.
#1 Export Sows (Tagged) \$63.50/cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3			131.71 135.94	129.66 139.33	142.95 145.97	145.56 149.19	149.79 156.92	163.44 173.10	174.31 180.34	172.05 180.95	160.83 175.31
Maple Leaf Sig. #4			136.42 140.16	133.99 141.01	144.75 148.03	149.03 151.84	152.78 158.50	163.30 173.59	174.05 178.26	174.43 181.54	170.23 174.43
Soymeal Winnipeg Delivered	464	457	460	463	461	461					
Corn	Local delivered price available on request										

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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