



# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, November 02, 2015

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

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

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

**Forward contract prices opened lower this morning.** US cash markets finished last week with significant losses, plunging nearly 10% over the 5 trading days and taking cash bids to their lowest level since early April. Packers watched wholesale pork prices lose about \$6.00/cwt in value, which may have been influenced by the media attention dedicated to the cancer risk study released by the World Health Organization early last week. In particular, the pork belly primal value lost close to \$30/cwt over the week which, until recently, has been the pork product that has had the largest positive impact on packers operating margins. Lean Hog futures had already factored in a seasonal decline in hog prices, but the speed with which the cash market has eroded triggered further losses in the winter month futures over the last week. Early morning trade has the nearby contracts finding some support, but the gains could be lost quickly given the recent uncertainty introduced into the cash market over the past week. The Canadian Dollar is trading marginally lower to start this week, and currently in the middle of its 1-month trading range at US\$0.7640.

US Slaughter	
2.117 mil.	Last Week
2.121 mil.	Last Week (year ago)
W. Corn Belt	\$60.69
National Price	\$71.27
Daily Sig 3	\$145.54
Daily Sig 4	\$165.51
Thunder Creek	\$145.89
4-Month Fwd.	\$ 136.53
B of C Ex. Rate (Noon)	
\$1.3083 CAD / \$0.7644 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	168.79/76.56
Thunder Creek	167.20/75.84
ISO Weans	\$38.04 US Avg.
Feeder Pigs	\$51.54 US Avg.
#1 Export Sows (Tagged) \$63.50/cwt. (+500lbs.)	

h@ms 2015 Fall Marketing Meeting Schedule (Remaining)		
Meeting	Date and Time	Location
Starbuck	Thurs., Nov. 12 - 2:00PM	Starbuck Community Hall - 25 Main Street

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading higher. There is talk that currency activity (Brazil real up; USD down in relative terms) and reports of a 120,000 MT sale to China are supportive. As well, rain in the Midwest this week is expected to slow the harvest pace somewhat despite the fact the majority is complete (87% last week) and above the 5-year average pace. The Crop Progress report will be released this morning. Pressuring further out is talk of increased yield estimates for the November WASDE report and non-threatening weather in S. America.

**US corn futures opened lower this morning.** Pressure for US corn comes on evidence of improving yields as harvest progresses and a market that has yet to find some bullish news. Even more pressure could materialize if the Argentine government removes export taxes on corn, following a pledge to do so amid the recent election, and if the opposition candidate wins the runoff election. As well, news that Brazilian corn has been sold to an end user in the eastern US is highlighting the current Brazilian price advantage. In an odd twist, the pressure may actually lead to some support as buyers (re)enter the trade and take advantage of relatively cheap corn.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		127.96 132.16	126.26 135.86	139.46 142.46	142.82 146.42	147.02 154.29	161.30 170.90	173.31 178.11	170.15 178.71	158.92 173.31
Maple Leaf Sig. #4		132.74 136.46	130.63 137.60	141.32 144.57	146.32 149.10	150.03 155.92	161.20 171.43	171.89 176.07	172.54 179.33	168.29 172.47
Soymeal Winnipeg Delivered	455	456	461	458	458	457				
Corn	Local delivered price available on request									

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**WINNIPEG LIVESTOCK**  
HWY #6 AND RD 236

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