



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 05, 2015

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

www.hamsmarketing.ca

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

Forward contract prices opened mixed this morning. US cash markets fell on average another \$1.50/cwt in yesterday's trade, taking hogs prices to within \$0.50/cwt of their lowest level for 2015. US packers are having no difficulty meeting their slaughter schedule, with this week's daily federally inspected kill averaging 435,000 hogs. The abundant supply, combined with weakness in most of the pork product values, has packers cutting bids to maintain their profitable operating margins. In fact, cash bids for hogs have eroded far quicker than wholesale pork prices, leaving packers with some of the highest gross margins for the year at more than \$42 per hog. Pork Belly prices continue to fall apart, with the critical primal cut losing 30% in value over the last two weeks. The price of almost all pork products has fallen since the release of the World Health Organization's Cancer risk study and the end of retail pork features related to 'National Pork Month'. Lean Hog futures along with a lower Canadian Dollar are providing some relief from the weaker trend, resulting in a slight gain in the winter month forward contract prices. However, cash market fundamentals will need to find support in order to maintain this morning's gains.

US Slaughter	
436,000	Wednesday
429,000	Wednesday (year ago)
W. Corn Belt	\$56.23
National Price	\$68.17
Daily Sig 3	\$135.68
Daily Sig 4	\$159.29
Thunder Creek	\$135.40
4-Month Fwd.	\$ 130.78
B of C Ex. Rate (Noon)	
\$1.3164 CAD / \$0.7596 USD	
Cash Prices Week Ending October 31, 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)	n/a (+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 higher this morning. The combination of what looks to be a large Brazilian soybean crop and the US harvest being completed has the price trend of the soybean complex decisively lower over the last few weeks. However, the futures market is shifting its focus from supply related factors that have driven the market through the last 6 months to demand related factors, largely dominated by export sales to China.

US corn futures opened lower this morning. The corn market has been in a steady trend for the past month, with North American production uncertainty being mitigated by the fact that harvest is in its final weeks. Increasingly, there has been talk of larger ending stocks for the 2015/16 crop year, as analysts have been raising their production estimates, and demand from the livestock and poultry sectors cools due to weaker prices.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		125.58 129.80	120.53 130.20	133.82 136.84	137.69 141.31	141.91 149.22	157.55 167.22	168.43 174.47	166.87 175.07	156.32 170.81
Maple Leaf Sig. #4		131.43 134.24	125.14 132.16	135.90 139.18	141.40 144.21	145.14 151.05	157.60 167.90	168.37 172.58	169.42 175.85	165.87 170.08
Soymeal Winnipeg Delivered	452	455	457	455	455	454				
Corn	Local delivered price available on request									

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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