



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, November 09, 2015

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

www.hamsmarketing.ca

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

Forward contract prices opened lower this morning. US cash markets continue to be under pressure to start the week, consistent with seasonal influences with bids coming in more than \$1.50 USD/cwt. lower across all reporting regions. This year's ample pork supplies are trending above last year (and the 5-year average) and last week's hog slaughter was 5.9% higher than 2014 at 2.360 million hogs. If the trend maintains itself relative to previous years, even more hogs will likely be coming to market until the US holiday shortened Thanksgiving week, more than 2 weeks away on November 26. As well, the colder weather begins means the animals will put on more weight adding more pork to the market; pork production is currently estimated to be up 7.5% from year ago. Lean hog futures have opened lower, reacting, in part, to some influence from the cash market and declining cutout values estimated to be lower by \$0.50USD/cwt. relative to previous day. There is talk that some of the pressure can be attributed to the report released by the WHO, but parsing out that influence relative to seasonal pressure will be difficult to accurately assess and likely only be determined after-the-fact.

US Slaughter	
2.360 mil.	Last Week
2.227 mil.	Last Week (year ago)
W. Corn Belt	\$53.35
National Price	\$64.82
Daily Sig 3	\$130.14
Daily Sig 4	\$153.10
Thunder Creek	\$130.16
4-Month Fwd.	\$ 125.87

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

B of C Ex. Rate (Noon)
\$1.3308 CAD / \$0.7514 USD

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mixed with only the November contract showing relative strength. Bearish supply fundamentals remain the driving force as USDA yield estimates are expected to be raised in tomorrow's WASDE report and S. American weather remains cooperative for the most part. In fact, there is some talk Brazil could produce as much as 100 MMT of soybeans, compared to approximately 65MMT less than 5-years ago. There is likely going to be some short covering activity ahead of tomorrow's report but that action has yet to develop as of this writing.

Cash Prices Week Ending November 07, 2015	
Signature 3	139.02/63.06
Signature 4	160.61/72.85
h@ms Cash	137.52/62.38
Hylife	156.25/70.87
Thunder Creek	154.90/70.26
ISO Weans	\$35.73 US Avg.
Feeder Pigs	\$49.56 US Avg.
#1 Export Sows (Tagged) n/a (+500lbs.)	

US corn futures opened lower this morning. Like soybeans, US corn trade is under pressure ahead of tomorrow's report. However, demand side fundamentals appear to be driving the activity as US corn still has yet to find some sustained demand from export markets. There is talk that ending stocks could ultimately be raised 50-125 million bushels in the November WASDE report, a reflection of the relatively negative supply and demand side picture.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		117.19 119.63	113.29 123.04	216.69 129.74	132.47 136.13	136.74 144.05	154.16 163.91	165.13 171.23	166.00 173.32	155.93 170.56	151.30
Maple Leaf Sig. #4		122.45 126.23	118.20 125.28	129.06 132.36	136.42 139.26	140.20 146.10	154.36 164.75	165.22 169.47	168.66 174.56	165.64 169.89	163.40
Soymeal Winnipeg Delivered	449	452	455	453	453	453					
Corn	Local delivered price available on request										

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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