



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 12, 2015

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

www.hamsmarketing.ca

Hog Prices: ↑ Soymeal: ↓

Corn: ↓ CDN Dollar: ↑

Forward contract prices opened higher this morning.

US cash markets continue to grind lower amid ample supplies and seasonality. The National reporting region bids were lower in excess of a \$1.00 USD/cwt. than the previous session while ISM and WCB regions were lower by a more modest \$0.32 USD/cwt. on average. Hog weights continue to rise as is common this time of year but are lower than last year by 1.4 lbs., and while slaughter numbers were above 400,000 animals, they did come in lower than last year, possibly due to some reduced plant capacity as a result of Veterans' Day in the US. Lean hog futures continue to be at 'extremely' oversold levels prompting some in the trade to suggest that the market is poised for some more upside, at least, on technical terms; markets jumped higher yesterday, a trend that has remained in the early morning trade. While this is good news for producers who have no protection in Q4, large supply expectations remain for the balance of the year.

Canadian delivered soymeal prices opened lower this morning.

Tuesday afternoon's market reaction was swift for the soybean futures trade that saw values drop double digits initially, ultimately settling ~1% lower for the day across all contracts. The pressure followed the November WASDE report that saw a 1.1 bpa yield increase, bringing US soybean production up 93 million bu. to 3.981 billion, a new record. While the demand side also saw some positive developments, it was not enough to offset supply gains, resulting in ending stocks raised to 465 million bu., the highest carryout in almost a decade.

US corn futures opened lower this morning.

As with soybeans, US corn futures fell almost 2% across all contracts following the USDA's report. Yields and production numbers were raised to among the highest of the pre-report estimates while the ending stocks number surpassed all expectations, coming in at 1.760 billion bu., 58 million bu. higher than the highest pre-report estimate. The US corn trade will need serious demand numbers to boost it above the psychological \$4.00 USD/bu. However, there is already talk that the lower price could spark demand at these lows.

US Slaughter	
403,000	Wednesday
430,000	Wednesday (year ago)
W. Corn Belt	\$51.81
National Price	\$61.96
Daily Sig 3	\$125.92
Daily Sig 4	\$145.82
Thunder Creek	\$126.07
4-Month Fwd.	\$ 129.48
B of C Ex. Rate (Noon)	
\$1.3259 CAD / \$0.7542 USD	
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.)

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #3		122.56 125.00	120.82 126.92	129.36 132.41	133.99 137.65	138.26 145.33	153.53 165.71	166.93 173.01	166.96 174.27	157.58 172.20	150.95
Maple Leaf Sig. #4		128.60 132.38	126.45 130.23	133.06 136.37	138.85 141.68	142.63 148.28	154.22 166.48	166.95 171.20	169.59 175.49	167.23 171.47	163.05
Soymeal Winnipeg Delivered	443	446	451	450	450	450					
Corn	Local delivered price available on request										

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h@ms 2015 Fall Marketing Meeting Schedule (Remaining)

Meeting	Date and Time	Location
TODAY Starbuck TODAY	Thurs., Nov. 12 - 2:00 PM	Starbuck Community Hall - 25 Main Street
UPDATE	Starbuck Meeting will include a Guest Speaker 'SwineBooks Import Demo' presented by Will Marsh	UPDATE