



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, November 01, 2017

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

www.hamsmarketing.ca

Hog Prices: ↑Soymeal: ↓

Corn: ↑ CDN Dollar: ↑

US Slaughter

465,000	Tuesday
443,000	Year Ago

Daily Prices

W. Corn Belt	\$64.18
National	\$69.85
Iowa/S. MN.	\$64.21
Signature 5	\$155.76
HyLife (prev. day)	\$157.81
Britco (prev. day)	\$151.41
TCP/BP2	\$155.76

BoC Rate (Noon) prev. day
\$1.2893 CAD / \$0.7756 USD

Cash Prices Week Ending October 28, 2017

Signature 3	151.96/68.93
Signature 4	151.92/68.91
Signature 5	151.94/68.92
h@ms Cash	150.43/68.23
HyLife	152.36/69.11
Britco	143.33/65.01
TCP/BP2	140.17/63.58

Year-to-Date Top-Up Estimate

\$3.71/ckg (call for details)

ISO Weans \$37.77 US Avg.

Feeder Pigs \$50.26 US Avg.

Forward contract prices opened higher this morning. US negotiated cash markets were lower in yesterday's trade with most regions reporting a \$0.40 USD/cwt decline in cash bids. The daily hog slaughter was estimated at 465,000 hogs, and if this level maintained to the end of the week, it could result in the largest weekly US hog slaughter on record. Wholesale pork prices were steady to higher with primal cuts such as bellies and hams (destined largely for the domestic market) gaining value. With the whole pork carcass priced 5% higher than year ago, and more than a 4% increase in recent pork production, domestic demand appears to be in great shape. Recent export sales volumes may be a cause for concern as volumes to Asian destinations are down close to 20% from last year's levels. Nearby lean hog futures gained more than \$2.00 USD/cwt in trade yesterday, and current values represent good value in the context of the heavy supply. Producers considering price protection in the spring/summer timeframe should look at setting targets \$15 CAD/kg higher than current forward prices as these weeks have seen new highs put in six of the last seven days.

Canadian delivered soymeal prices opened lower this morning.

Demand for US beans remains strong while the US remains the sole global exporter harvesting beans in any significant amount at this time. There is talk that Chinese crushers are very active as the domestic livestock sector enters an expansion period. As well, but mostly anecdotal, is talk that the beginning of the new month brings fresh investment into the trade. Evidence supporting this idea is modest, but analysts point out that the reversal upward in open interest does represent a shift that previously saw open interest decline over the previous five sessions thus upholding the 'new month/new money' adage.

US corn futures opened higher this morning. Like beans, thoughts of 'new month/new money' are making the rounds this morning and true to the saying, open interest has jumped by 25,000+ lots this morning. However, US corn futures are still struggling to break past the psychological \$3.50 USD/bu. level, mostly due to the fact that the US is extremely well supplied with corn. In fact, there is talk that this month's WASDE report could show an adjustment to the yield estimate upward of some 3 bpa. from the current 171.8 (!) bpa estimate. However, there is still time before final yields are tallied and there is anecdotal evidence of decreasing yield numbers as the harvest moves northward.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		143.45 151.47	148.68 160.17	160.75 163.83	159.19 167.01	167.18 167.30	165.33 177.94	175.78 187.70	178.66 183.58	179.20 181.79
Soymeal Wpg Delivered.	430	430	435	440	440	446				

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h@ms 2017 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Swift Current, SK	Tuesday, Oct. 31 - 12:00 Noon	Royal Canadian Legion #56 - 239 1st Avenue, NE
Saskatoon, SK	Wednesday, Nov. 1 12:00 Noon	Comfort Suites - 203 Bill Hunter Avenue