

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

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, November 03, 2017

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

463,000	Thursday
444,000	Year Ago

Daily Prices

W. Corn Belt	\$63.12
National	\$70.09
Iowa/S. MN.	\$63.30
Signature 5	\$153.93
HyLife (prev. day)	\$158.95
Britco (prev. day)	\$148.44
TCP/BP2	\$153.93

BoC Rate (Noon) prev. day
\$1.2822 CAD / \$0.7799 USD

Cash Prices Week Ending November 04, 2017

Signature 3	150.49/68.26
Signature 4	159.16/72.19
Signature 5	154.83/70.23
h@ms Cash	153.33/69.55
HyLife	n/a
Britco	151.90/68.90
TCP/BP2	151.94/68.92

Year-to-Date Top-Up Estimate

\$3.73/ckg (call for details)

ISO Weans \$37.77 US Avg.

Feeder Pigs \$50.26 US Avg.

Forward contract prices opened mixed this morning. US cash markets were lower for most of the past week, dropping about \$2.00 USD/cwt in most regions, or approximately 3% of their value. However, the market in general is still optimistic about cash prices over the next few weeks and months, in part, because wholesale pork prices remain in a positive trend. Pork belly prices moved sharply higher in yesterday's trade gaining close to \$9.00 USD/cwt and returning the value of the primal cut to its highest level in nearly 2 months. Lean hog futures are trading in mixed trend where the nearby contracts are trading in a choppy, sideways trend while the spring/summer contracts are decisively higher. The June lean hog futures contract has pushed into new contract highs for 9 of the last 10 trading days with traders being optimistic about the impact of the added packer capacity in the summer months. With still more upside potential in the summer of 2018, producers should consider setting targets on 30% of their production at levels near \$190 CAD/ckg.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading lower to finish the week compounded by some lacklustre export information. While Brazil imports to China have increased by about double compared to last year, sales from the US, while relatively strong, are showing export volumes are currently 18% behind last year's pace. There is talk that while China will indeed be importing a lot of beans, the focus on supply source may be turning elsewhere for now. In other news, the nearby Canadian dollar rapidly rose 6/10^{ths} of a cent USD in the early morning trade putting downward pressure on the price of delivered Canadian meal.

US corn futures opened lower this morning. The deferred contracts are seeing a bit of support, but the nearby contract still can't break the psychological \$3.50 USD/bu. mark for any sustained period of time. Support in the deferreds comes from thoughts that a major freeze in China may have damaged crops in large-production provinces. While the US is not a major supplier of corn to China, a ripple effect in global markets could be felt. On that note, French harvest is 89% complete, but the Ukraine is behind the pace due to cold wet weather and has another 35% to go. Pressuring prices are thoughts that next week's WASDE report will show USDA yield estimates in the 173+ bpa range.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		136.79 144.72	144.95 156.31	156.89 159.94	158.10 165.84	165.55 165.66	165.73 178.18	176.05 187.81	179.66 184.55	179.04 181.62
Soymeal Wpg Delivered.	423	426	433	438	438	445				

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