



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

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, November 06, 2017

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

www.hamsmarketing.ca

US Slaughter

2.453 mil. Last Week
2.532 mil. Year Ago

Daily Prices

W. Corn Belt	\$61.78
National	\$69.75
Iowa/S. MN.	\$61.86
Signature 5	\$151.29
HyLife (prev. day)	\$157.41
Britco (prev. day)	\$144.41
TCP/BP2	\$151.29

BoC Rate (Noon) prev. day
\$1.2764 CAD / \$0.7835 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	157.94/71.64
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 \$41.95 US Avg.
Feeder Pigs \$53.78 US Avg.

Forward contract prices opened mixed this morning. US cash markets were in a bearish trend to finish last week and lost about \$2.50 USD/cwt in most reporting regions from Wednesday to Friday. The weekly slaughter was lower than expected at 2.453 million hogs as the Monday, Friday, and Saturday slaughter were significantly less than capacity. However, the pork carcass cut-out continues to move higher, adding nearly \$2.00 USD/cwt over the last week. The biggest contributor to the gains in pork prices has been pork bellies which recovered to levels not seen since early September. A primary driver of today's lean hog futures market will be the release of the latest monthly US pork export sales. The weekly data suggested that sales volumes have struggled to meet levels experienced last year which is critical to the market avoiding a buildup in supplies at the same time hog production hits record levels. Winter month forward contract prices represent good value given the uncertainty associated to record supply, but spring and summer contract prices may have significantly more upside potential.

Canadian delivered soymeal prices opened higher this morning. The USDA's November WASDE report will be released on Thursday November 9, and today, we start to see the market expectations ahead of the report. A poll, conducted by Reuters, shows the estimates for major analytics and/or trading firms and gives a general sense of the market's tone ahead of the release. In sum, the estimates for soybeans are: yield at an average of 49.2 bpa ranging between 48.4 and 49.9 bpa. For ending stocks, the average is coming in at 437 million bu. ranging between 514 million bu. at the high end and 370 million bu. at the low end. Those same firms, however, estimate the USDA will report around 420 million bu. as the ending stock number this month suggesting at least half the trade thinks the USDA will come in a bit on the low side.

US corn futures opened higher this morning. Like beans, the market is waiting for Thursday's WASDE report results. In the meantime, the pre-report estimates have been compiled by Reuters. Like beans, yield estimates are relatively high coming in at 172.4 bpa on average. The high end of the range is estimated at 174.0 bpa while the low is still an impressive 171.7 bpa. For ending stocks, US corn is expected to come in at 2.351 billion bu. ranging between 2.250 and 2.480 billion bu. Conversely, the trade thinks the USDA will post a 'higher' 2.366 billion bu. value (on average) as the official number. In any case, a number over 2 billion bu. represents a very healthy supply situation.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		137.88 143.11	144.90 156.29	156.86 159.92	157.74 165.49	165.24 165.35	165.65 178.13	175.99 187.78	178.47 183.34	177.72 180.29
Soymeal Wpg Delivered.	426	429	436	441	441	447				

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Forward contracting will be closed Friday, November 10 in lieu of Remembrance Day.
The HMO and Opening Price reports will subsequently not be published.
Forward contracting ability will resume on Monday, November 13.