



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 09, 2017

For details call: (204)235-2237 or visit [www.hamsmarketing.ca](http://www.hamsmarketing.ca)

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

## US Slaughter

465,000 Wednesday  
443,000 Year Ago

## Daily Prices

W. Corn Belt \$60.74  
National \$69.16  
Iowa/S. MN. \$60.78  
Signature 5 \$148.99  
HyLife (prev. day) \$155.62  
Britco (prev. day) \$141.50  
TCP/BP2 \$148.99

BoC Rate (Noon) prev. day  
\$1.2729 CAD / \$0.7856 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 lower this morning.** US regional cash markets made modest gains in yesterday's trade with the Midwest reporting bids approximately \$0.50 USD/cwt higher. Hog supplies are still on the uptrend, but have failed to keep pace with the expectations associated with the last USDA Hogs and Pigs report. The survey of US producers pegged market hog numbers at 3.9% larger than year ago levels, but over the last month, supplies have only grown about 2.5%. Wholesale pork still appears to be moving well through domestic marketing channels, but has struggled to realize any growth in sales on the export side of the business. Nearby lean hog futures have dropped about \$4.00 USD/cwt over the last six trading days reflecting increased uncertainty regarding the new plants and their ability to offset the impact of the large supply and sluggish export sales. However, spring and summer month prices still have good upside potential as this timeframe will benefit from lower production levels than what are currently being experienced.

**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 The HMO and Opening Price reports will subsequently not be published.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 Mon., November 13.**

**Canadian delivered soymeal prices opened higher this morning.** All eyes will be on the November WASDE report which will be released at 11AM, Central time. To recap, there are thoughts that the yield number will be lowered from the October report, but even at the low end, ending stocks estimates are still expected to come in at over 340 million bu. To be sure, 340 is quite a bit less (relatively speaking) than the October number, but it still represents the 4<sup>th</sup> highest ending stocks number going back to 2010. Yield range of estimates is 48.5 and 51.0 bpa ahead of the report (49.3 bpa on average) while ending stocks are expected to come in between 340 and 545 million bu. (425 million bu. on average). Final results will unfortunately not be published until Monday, November 13<sup>th</sup> as Risk Management is closed on Friday.

**US corn futures opened higher this morning.** Exceptional corn demand is apparently lending support to a trade that is expecting a bearish WASDE report and the result has been one of net support. Export sales came in at 2.364 MMT against market expectations of between 1.3 and 1.8 MMT. There is a lot of speculation suggesting that the USA's number one customer (Mexico) is aggressively buying ahead of potential trade disruptions further out. Mexico alone purchased 1.166 MMT of corn last week (!). Today's WASDE report could put a damper on some of the support as bearish numbers are probable. However, large numbers have been expected meaning a market move may be muted if the final numbers come within the range of expectations.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		134.37 139.57	138.48 149.81	150.38 153.42	153.20 160.91	161.07 161.18	163.82 176.26	174.13 185.88	177.61 182.46	177.34 179.90
Soymeal Wpg Delivered.	431	431	435	440	440	446				

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.



**Thursday, December 14**

**Keystone Centre - Brandon, MB**

**10:00 AM to 4:30 PM**

**Exhibitor Booths**

**Luncheon (\$12/meal)**

**Pork Quality Competition**