



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 16, 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 \$58.11  
National \$67.49  
Iowa/S. MN. \$58.25  
Signature 5 \$144.54  
HyLife (prev. day) \$151.25  
Britco (prev. day) \$136.08  
TCP/BP2 \$144.54

BoC Rate (Noon) prev. day  
\$1.2773 CAD / \$0.7829 USD

## Cash Prices Week Ending November 11, 2017

Signature 3 141.86/64.35  
Signature 4 156.80/71.12  
Signature 5 149.33/67.74  
h@ms Cash 147.83/67.06  
HyLife 155.39/70.48  
Britco 149.15/67.65  
TCP/BP2 154.83/70.23

## Year-to-Date Top-Up Estimate

\$3.81/ckg (call for details)

ISO Weans \$42.64 US Avg.  
Feeder Pigs \$55.12 US Avg.

**Forward contract prices opened lower this morning.** US cash markets remain in a lower trend with daily losses averaging about \$0.50 USD/cwt per day in most USDA reporting regions. After weeks of hog supplies only increasing by about 2% more than year ago levels, this week may represent a pivot point where the number of hogs marketed approaches 4% larger than the same week last year, and more closely matches expectations set out by the last Hogs and Pigs report. Wholesale pork prices turned lower in yesterday's trade with all cuts except pork bellies losing value. Pork bellies have surged higher over the last six weeks adding about \$40 USD/cwt to the primal cut, and making the biggest, positive contribution to the pork carcass cut-out this fall. Spring and summer forward contract prices have dropped about 3% of their value over the last two days with bearish influences coming from the cash market and concerns regarding export sales. Producers looking for protection in this timeframe should consider setting targets on 30% of their planned production at prices \$8 - \$10 CAD/ckg higher than current forward prices.

## Canadian delivered soymeal prices opened lower this morning.

The US soybean futures complex regained some strength yesterday on good crush numbers underpinned by some positive meal export data. Beans crushed used 164.5 million bu. in October, the second highest October number ever. As well, meal exports came in 14.4% higher than year-ago. It all translates into demand for the bean which is supportive to the that component of the complex. Today's export sales for week ending November 9 showed a slight decrease in volume compared to the week previous, but came in at a net 1.104 MMT after the week's cancellations; China was still the number one export destination by far. News that China will import 3% more beans over last year is still making the rounds today.

**US corn futures opened lower this morning.** Although US corn showed some strength yesterday, the nearby trade is still hovering in the mid \$3.30s (USD/bu.) and still residing amid the new lows. Support returned to the trade following the recent moves lower, but the turnaround is more of an attempt at establishing a bottom than in retracing a new upward trend. There are still some dryness concerns in Argentina, but scattered showers are expected to provide some relief and Brazil weather is improving also. In any event, the USA is the real, large producer/exporter and it will be difficult for the market to shake off 175.4 bpa in yield and almost 2.5 billion bu. in projected ending stocks in the current demand environment.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		127.33 132.55	132.62 143.98	144.56 147.61	148.00 155.74	155.58 155.70	160.90 173.36	171.23 182.99	175.04 179.90	172.45 178.41	150.64 164.73	148.43 152.22
Soymeal Wpg Delivered.	423	423	427	432	432	438						

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HWY #6 AND RD 236

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