



# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, November 17, 2017

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Hog Prices: ↑↓ Soymeal: ↑

Corn: ↑ CDN Dollar: ↑

## US Slaughter

464,000	Thursday
443,000	Year Ago

## Daily Prices

W. Corn Belt	\$57.34
National	\$67.08
Iowa/S. MN.	\$57.57
Signature 5	\$142.85
HyLife (prev. day)	\$150.79
Britco (prev. day)	\$134.19
TCP/BP2	\$142.85

**BoC Rate (Noon) prev. day**  
\$1.2745 CAD / \$0.7846 USD

## Cash Prices Week Ending November 18, 2017

Signature 3	136.78/62.04
Signature 4	153.04/69.42
Signature 5	144.91/65.73
h@ms Cash	143.41/65.05
HyLife	n/a
Britco	140.67/63.81
TCP/BP2	149.33/67.74

## Year-to-Date Top-Up Estimate

\$3.90/ckg (call for details)

ISO Weans \$42.64 US Avg.

Feeder Pigs \$55.12 US Avg.

**Forward contract prices opened mixed this morning.** US packers continue to pull back on their cash bids and have averaged \$0.50 USD/cwt lower bids every day for the last week. Hog supplies are abundant with this week's slaughter expected to exceed 2.52 million hogs - one of the largest experienced so far this year. Wholesale pork prices have also come under pressure with all cuts on a lower trend except for pork bellies which have added about \$9 USD/cwt (or 7% of their value) in the last week. US export sales of pork are a growing concern for the market as all major destinations experienced a decline in volume as seen in the most recent weekly pork export data. Spring and summer forward contract prices have dropped about 3.5% of their value over the last few days with bearish influence from the cash market and concerns about export sales. Producers looking for protection in this timeframe should consider setting targets on 30% of their planned production at prices \$10 CAD/ckg higher than current forward prices.

**Canadian delivered soymeal prices opened higher this morning.** Yesterday's export sales report for week ending Thursday November 9, while only modestly lower than last week, came in near the lower end of expectations and set the tone for the day which was lower. Cumulative sales are so far at 53% of USDA forecasts, but the average pace is 70% implying sales are behind. There are any number of reasons for the slower pace, but factors cited currently include a larger share of China sales going to Brazil as well as talk of GMO certification issues in China. Decent Brazilian weather is also pressuring, and the forecast rain in Argentina next week should provide relief for the dry areas. Futures are trading in a mixed and choppy pattern and are higher as of this writing.

**US corn futures opened higher this morning.** Like beans, US corn futures saw pressure on lacklustre export sales and no new exceptional sales announcements. Technical indicators show an oversold condition and the market is attempting to carve out a bottom, but the trade still pushed lower yesterday, and a new low was reached at \$3.36 ¼ USD/bu. There is talk that the funds may 'tighten up' ahead of the weekend, but they will need some rationale to cover shorts, and with US exports sales weaker, decent weather forecasts in S. America, not to mention an abundance of US supply, significant buying interest seems counter intuitive. US corn futures are higher, however, suggesting short covering could be indeed underway.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		130.72 135.97	134.71 146.14	146.72 149.79	149.14 156.92	156.80 156.92	161.53 174.06	171.91 183.75	174.49 179.35	171.60 177.56	149.99 164.10	148.02 151.82
Soymeal Wpg Delivered.	431	431	435	439	439	446						

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