



Hog Margin Outlook

Meeting Your Marketing Needs

Monday, November 20, 2017

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

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

US Slaughter	
2.473 mil.	Last Week
2.527 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$57.00
National	\$66.63
Iowa/S. MN.	\$57.14
Signature 5	\$142.37
HyLife (prev. day)	\$149.45
Britco (prev. day)	\$133.59
TCP/BP2	\$142.37
BoC Rate (Noon) prev. day	
\$1.2783 CAD / \$0.7823 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	150.81/68.41
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	\$47.06 US Avg.
Feeder Pigs	\$56.21 US Avg.

Forward contract prices opened mixed this morning. US negotiated cash prices moved steadily lower over the last week with the Midwest regions losing an average of \$0.50 USD/cwt per day. Cash bids are still running more than \$10.00 USD/cwt higher than the lows experienced in late September, but the trend over the last 2 weeks has been decisively lower. US producers are likely responding by holding back on their marketings which has led to an increase in hog carcass weights to 212lbs. Last week's hog slaughter was estimated at 2.473 million hogs, 2.2% smaller than year ago levels and a Saturday kill that was among the smallest in months coming in at only 154,000 hogs. Lean hog futures are starting this week firm after last week's trade saw spring/summer contracts lose about 4% of their value. The latest round of negotiations on the North America Free Trade Agreement (NAFTA) may be contributing to the weakness in the deferred month contracts as progress has slowed and the risk of termination of the existing agreement increases.

Canadian delivered soymeal prices opened mixed this morning. US soybean futures start the week off under pressure as the fundamental picture improves. Decent weather in Brazil an improving weather in Argentina are supporting planting and crop development in the near term. As well, there is news suggesting India will place a 30% import duty on palm oil that has produced a ripple effect into the other vegetable oil markets including soy. Combine these developments with the anti-dumping duties imposed on biodiesel into the US and it suggests there will be a larger global supply of beans available; the US exports a lot of beans.

US corn futures opened lower this morning. The Commitments of Traders report has shown the largest fund short position in 20 months at the same time as the lowest futures prices for the December contract. If these are indications that the market has hit a bottom, some suggest there is no where to go but up. However, others are quick to point out that a large volume of corn combined with relatively stable usage estimates can equal pressure on the trade. And without offering a concrete price comparison, at least one large analytics firm has said US corn remains fundamentally uncompetitive in the export market. A substantial export development or weather event would likely be needed to provide initial support unless, of course, the funds decide to cover short positions swiftly.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5			135.95 147.37	147.94 151.01	149.39 157.16	156.86 156.98	160.73 173.22	171.08 182.89	174.18 179.05	171.31 177.28	149.81 163.93	147.34 151.12
Soymeal Wpg Delivered.	436	436	440	445	445	448						

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Risk Management will be closed Thursday, November 23 for US Thanksgiving; US markets are closed. The HMO and Opening Price reports will subsequently not be published. Trading will close one hour early on Friday, November 24. The main office remains open all week.