



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

Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, November 28, 2017

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

www.hamsmarketing.ca

Forward contract prices opened higher this morning. US cash markets started this week slightly lower as packers have ample market-ready supplies to buy. Despite the addition of the new plants that have been ramping up production for the last two months, packer operating margins are still very profitable, and provide a strong incentive to compete for the uncommitted hog supply. The US hog slaughter is expected to grow to record levels over the next three weeks, but the hog supply is still trending well below the last Hogs and Pigs survey results. Lean hog futures reflected this development in recent days with all months gaining 2-4% of their value over the last week which could provide for a good hedging opportunity in the spring/summer timeframe. Demand, especially from export destinations, remains uncertain and suggests that taking price protection on up to 1/3 of intended production is reasonable for the May – August timeframe at \$183 -\$185 CAD/ckg.

Canadian delivered soymeal prices opened lower this morning. A weaker tone is starting the trade today and there are thoughts the pressure could remain on the complex into the remainder of the week. While the weather has been improving in regions of S. America, there are thoughts that areas of Argentina could still be a bit too dry. However, the forecast is calling for rain from Thursday into the weekend, and in the absence of a really strong export story, the loss of (even a bit of) the weather premium could pressure further. There is talk Chinese officials are slow in issuing GMO certifications which is creating bottlenecks at port and slowing the pipeline into the region.

US corn futures opened lower this morning. Like beans, US corn futures are trading lower despite an uptick in export sales last week. The export news could only provide momentum for so long, however, and now the market is dealing once again with the reality that the USA has a lot of corn. When the export sales report comes out this week (referencing last week's sales numbers), market observers are reminded of the 'short week' due to the US Thanksgiving holiday. The point is that Thursday's report will likely not provide any strong direction unless, of course, the numbers come in significantly higher (or lower) than market expectations.

US Slaughter	
445,000	Monday
444,000	Year Ago
Daily Prices	
W. Corn Belt	\$57.09
National	\$64.15
Iowa/S. MN.	\$57.10
Signature 5	\$139.55
HyLife (prev. day)	\$144.28
Britco (prev. day)	\$132.99
TCP/BP2	\$139.55
BoC Rate (Noon) prev. day	
\$1.2735 CAD / \$0.7852 USD	
Cash Prices Week Ending November 25, 2017	
Signature 3	132.76/60.22
Signature 4	149.25/67.70
Signature 5	141.00/63.96
h@ms Cash	139.50/63.28
HyLife	147.55/66.93
Britco	135.66/61.53
TCP/BP2	144.91/65.73
Year-to-Date Top-Up Estimate	
\$3.99/ckg (call for details)	
ISO Weans	\$51.73 US Avg.
Feeder Pigs	\$63.92 US Avg.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5			143.29 154.72	155.30 158.37	157.73 165.51	165.19 165.31	168.14 180.66	178.51 190.34	180.06 184.91	176.86 182.80	154.43 168.51	152.56 156.35
Soymeal Wpg Delivered.	447	447	451	456	456	460						

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