



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

# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, November 29, 2017

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

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**Forward contract prices opened higher this morning.** US cash markets improved yesterday across all reporting regions; Western Corn Belt and Iowa/Southern Minnesota regions were up by approximately \$1 USD/cwt. while the National region came in \$0.44 USD/cwt higher than the previous day. Steady and, according to some, improving packer margins are allowing packers to keep bidding aggressively for uncommitted supplies. Now that Thanksgiving is over, packers will look to start ramping up for Christmas (if they haven't done so already), and the recent support could be a function of that build up. Lean hog futures have rallied since the beginning of the week and aside from some intermittent corrections, the trend has been a decisive move higher. Forward contract prices are among values not seen since the beginning of November but it's not just the lean hog futures contracts providing the support. Recent softness in the Canadian dollar is contributing to forward contract levels that could be considered fair value when compared to history.

**Canadian delivered soymeal prices opened higher this morning.** The fundamental picture continues to pressure with thoughts that the South American weather situation (or, more accurately, the concerns about dryness in Argentina) are improving. Markets are waiting patiently for Thursday when some new data and announcements could provide some direction. Export sales will be released as well as a release from the EPA on it's 2018 biodiesel mandate. Under the current administration, anything is possible; at first, the current head of the department was thought to advocate for reductions in the mandate which could have curbed demand for the soy oil that is a component in biodiesel. However, there was more recent talk that, following letters from some senators in important soybean growing areas, a reduction will (now) not be implemented.

**US corn futures opened higher this morning.** After probing new lows, US corn futures have turned around this morning is what could be an effort to define the near-term bottom. There were no export sales (again) reported yesterday and the market will have to wait until tomorrow to find out what the net result is for the week; there are hopes for another strong report (following the previous weeks numbers), but recent daily reporting has not appeared to support another round of strong weekly sales. As such, today's support appears to be a function of technical factors and some repositioning. Most analysts predict weakness heading into December and think the trade will likely remain amid the lows in the short term.

## US Slaughter

463,000 Tuesday  
443,000 Year Ago

## Daily Prices

W. Corn Belt	\$58.08
National	\$64.95
Iowa/S. MN.	\$58.23
Signature 5	\$142.00
HyLife (prev. day)	\$145.58
Britco (prev. day)	\$136.39
TCP/BP2	\$142.00

**BoC Rate (Noon) prev. day**  
\$1.2807 CAD / \$0.7808 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			146.41 157.87	158.45 161.53	160.21 168.01	167.82 167.93	170.25 182.81	180.66 192.52	183.15 188.06	179.80 185.81	156.44 170.67	153.39 157.19
Soymeal Wpg Delivered.	453	453	457	462	462	465						

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**Thursday, December 14**  
**Keystone Centre - Brandon, MB**  
**10:00 AM to 4:30 PM**

**Exhibitor Booths**  
**Luncheon (\$12/meal)**  
**Pork Quality Competition**