

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, December 01, 2017

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

www.hamsmarketing.ca

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

US Slaughter

461,000 Thursday
430,000 Year Ago

Daily Prices

W. Corn Belt	\$59.83
National	\$64.71
Iowa/S. MN.	\$59.84
Signature 5	\$144.68
HyLife (prev. day)	\$146.37
Britco (prev. day)	\$141.05
TCP/BP2	\$144.68

BoC Rate (Noon) prev. day
\$1.2888 CAD / \$0.7759 USD

Cash Prices Week Ending December 02, 2017

Signature 3	136.85/62.07
Signature 4	147.04/66.70
Signature 5	141.94/64.38
h@ms Cash	140.44/63.70
HyLife	n/a
Britco	132.75/60.22
TCP/BP2	141.00/63.96

Year-to-Date Top-Up Estimate

\$4.02/ckg (call for details)

ISO Weans \$51.73 US Avg.
Feeder Pigs \$63.92 US Avg.

Forward contract prices opened lower this morning. US cash markets finished in a mixed pattern as the ISM and WCB regions showed gains of \$0.83 USD/cwt on average while the National region came in lower by a modest \$0.03 USD/cwt. There is talk that holiday demand for hams and strong bellies are supportive for now, not to mention thoughts of good demand for US pork generally. On the pressure side are record high weights that are coming in 1.3 lbs. higher than last week at over 285 lbs. on average (~5 lbs. higher than last year). Lean hog futures fell at the closing bell yesterday to finish lower on the day. The net result, considering Canadian dollar moves, saw forward contract prices in Canadian dollars fall about \$3 CAD/kg from January to April, approximately \$2 CAD/kg from May to June and less than \$1 from July to October. This 'event' underscores the volatility present in the current marketplace and while no new trend has been established yet, producers are reminded that the market is anything but predictable. Today lean hog futures are recovering from the move lower, but there is no clear direction to finish the week and the market has been trading in a generally sideways pattern this morning.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading higher to finish the week. Fund liquidations this week were pressuring for a while, and the weather outlooks in South America (but particularly Argentina) have also added to the negative tone. Data reporting on shipments, however, have breathed some new strength into the market as weekly shipments were reported as coming in at 2.2 MMT representing the second largest shipment volume for the current period. It contrasts with the sales report yesterday that showed 'only' 942,200 in net sales for the week ending November 23.

US corn futures opened higher this morning.

Strength in US corn futures returns for the third session this week, buoyed by month-end where there was talk of short covering to finish off the month of November. Fundamentals remain largely unchanged, so the moves are thought to be a function of technical factors and trader repositioning. As well, it is generally accepted that a new month brings in new money – a feature that is excellent for liquidity – but it doesn't necessarily or always mean the fundamentals have changed.

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		142.69 154.05	154.63 157.68	155.91 163.65	163.59 163.70	166.96 179.42	177.28 189.05	180.29 185.15	177.24 183.20	154.73 168.83	153.83 157.65
Soymeal Wpg Delivered.	446	451	456	456	458						

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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