

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

Forward contract prices opened higher this morning. US cash markets experienced modest losses in last week's trade, as packers were unwilling to dip into their operating margin to add more hogs to their production schedule. Last week's slaughter was about 100,000 hogs larger than a year ago at an estimated 2.302 million hogs. This is approximately 4.5% larger than last year, but when you include the added carcass weight to the pork production calculation, pork production was up 6.5%. With US plants closed yesterday due to Memorial Day, packers will have no difficulty finding the live supplies to meet this week's requirements. Lean hog futures made gains late last week, recovering from the contract lows that the market put in earlier in the week. September – December forward contract prices represent good value when one considers the huge supply that is in the pipeline, and the fact that producers can still hedge prices comparable to the 3-year average cash price for this timeframe.

Canadian delivered soymeal prices opened even this morning. The US soybean futures market is starting the holiday-shortened week off on a lower note despite some geo-political developments that are ushering uncertainty into the mix. The potential US/North Korea summit has investors keeping a close eye on developments that have been 'on again, off again, over the past week. North Korea doesn't buy much of anything from the USA, but the success or failure of the talks could have an impact on stability in the region not to mention an impact on the US dollar for starters. Crop conditions numbers come out today although the number to be watched will be in corn at this stage.

US corn futures opened higher this morning. Like beans, US corn futures start the week off lower following the Memorial Day long weekend in the USA. Geo-politics is also adding uncertainty in the trade, but the market is more focussed on fundamentals this morning. A well-respected crop analyst is suggesting that final acreage in corn could be lowered by 500,000 acres. However, crop conditions are expected to be pretty favourable and this same analyst has suggested a 176 bpa national average yield could be possible in the final analysis which is a couple points above the trend line. Recall that at the beginning of the planting season, trend-line was thought to be a bit ambitious. Conditions are expected to come in 2% higher than last year's 65% good/excellent rating.

US Slaughter	
2.302 mil.	Last Week
2.202 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$65.16
National	\$70.38
Iowa/S. MN.	\$65.22
ML Signature 5	\$158.84
HyLife (prev. day)	\$160.70
TCP/BP2	\$158.84
BoC Rate (Noon) prev. day	
\$1.3001 CAD / \$0.7692 USD	
Cash Prices Week Ending May 26, 2018	
Signature 3	152.01/68.95
Signature 4	159.53/72.36
Signature 5 Brandon	155.77/70.66
h@ms Cash	154.27/69.98
HyLife	158.73/72.00
TCP/BP2 Moose Jaw/Langley	151.96/68.93
2018 Top-Up Estimate	
\$4.55/ckg (call for details)	
ISO Weans	\$27.24 US Avg.
Feeder Pigs	\$48.83 US Avg.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5			173.42 178.39	168.74 174.83	144.97 158.79	142.33 146.19	128.91 140.60	127.86 131.77	130.76 142.55	143.02 145.12	145.47 147.22	148.81 159.27
Soymeal Wpg/S. Man Delivered	545	545	548	545	547	547						

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