



# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, August 03, 2018

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

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

US Slaughter	
450,000	Thursday
436,000	Year Ago
Daily Prices	
W. Corn Belt	\$56.11
National	\$69.19
Iowa/S. MN.	\$56.38
ML Signature 5	\$146.84
HyLife (prev. day)	\$158.34
TCP/BP2	\$146.84
<b>BoC Rate (Noon) prev. day</b> \$1.3014 CAD / \$0.7684 USD	
Cash Prices Week Ending August 04, 2018	
Signature 3	141.53/64.20
Signature 4	164.93/74.81
Signature 5 Brandon	153.23/69.50
h@ms Cash	151.73/68.82
HyLife	162.29/73.61
TCP/BP2 Moose Jaw/Langley	167.94/76.18
2018 Top-Up Estimate	
\$4.07/kg (call for details)	
ISO Weans	\$16.65 US Avg.
Feeder Pigs	\$23.41 US Avg.

**Forward contract prices opened higher this morning.** US cash markets continued the trend set earlier in the week and all regions came in lower. ISM and WCB are approximately \$1.48 USD/cwt. down while the National reporting region is \$1.27 USD/cwt lower to finish the week. Seasonally, cash markets start to show weakness starting anywhere between week 24 and week 35 (approximately) in any given year. The market is currently in week 31 and observing the negative sentiments (large cold storage stocks, weakening cut-out, concerns on demand, etc.), along with expectations of higher numbers of animals in the marketplace generally, the move is not surprising. Lean hog futures are not faring much better and have pushed to contract lows, especially in the winter timeframe. The weakness reflects the ongoing trade concerns as related to Mexico (especially hams) and China (especially trim). Until some more certainty on the trade negotiation front becomes known, the market will struggle to make gains. In the meantime, the trade has bucked the recent trend and is closing the week on a higher note. **Producers are reminded that the office and forward contracting will be closed Monday, August 6 next week.**

**Canadian delivered soymeal prices opened even this morning.** The US soybean futures complex is trading lower to finish off the week. Once again, rhetoric from the White House continues to influence as there is news President Trump has suggested the US could increase Chinese tariffs to 25%. Combined with exports at the low end of estimates, traders were expecting beans to be between 6 and 8 cents (USD/bu.) lower today. This morning the market is approximately 3.5 cents lower than previous day. Combined with a stronger Canadian dollar, however, it represents very little movement in the value Canadian buyers pay for US soymeal. In fact, opening prices have remained flat over the past three days.

**US corn futures opened mixed this morning.** Us corn futures are once again trading choppy and two-sided for the second session in a row. Corn futures have followed the bean trade (despite trading higher in some sessions) and are amid contract lows currently even with the recent support in the deferreds. Like beans, trade issues are in the forefront of traders' minds and there is chatter that interim rallies could be considered profit taking opportunities for traders suggesting pressure could return if the market even only turns marginally higher.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		117.71 131.75	115.25 117.82	101.07 113.57	100.13 103.80	108.70 120.52	120.99 123.21	128.54 130.77	132.32 137.41	157.68 160.48	159.78 165.56
Soymeal Wpg/S. Man Delivered	495	494	494	495	495						

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**h@ms Marketing Services will be closed Monday, August 6.**

Forward contracting will be suspended  
and the HMO and Opening Price reports will not be published.  
Normal business resumes on Tuesday, August 7.