



# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, October 11, 2018

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

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

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

US Slaughter	
457,000	Wednesday
463,000	Year Ago
Daily Prices	
W. Corn Belt	\$62.54
National	\$70.21
Iowa/S. MN.	\$62.56
ML Signature 5	\$155.42
HyLife (prev. day)	\$160.20
TCP/BP2	\$155.42
<b>BoC Rate (Noon) prev. day</b> \$1.2992 CAD / \$0.7697 USD	
Cash Prices Week Ending October 6, 2018	
Signature 3	149.08/67.62
Signature 4	157.62/71.50
Signature 5 Brandon	153.35/69.56
h@ms Cash	151.85/68.88
HyLife	156.74/71.10
TCP/BP2 Moose Jaw/Langley	148.55/67.38
2018 Top-Up Estimate	
\$5.43 ckg (call for details)	
ISO Weans	\$35.23 US Avg.
Feeder Pigs	\$40.34 US Avg.

**Forward contract prices opened lower this morning.** US negotiated cash markets moved lower in yesterday's trade and lost close to \$1.00 USD/cwt while breaking the steady trend higher the market had developed over the last two weeks. The move was not initiated by weaker pork prices as the carcass cut-out value has maintained its steady trend. Hams and loins have seen some weakness in recent days but gains in bellies have had an offsetting effect. Lean hog futures are experiencing a divergent trend with the December and February contract moving towards the lower end of its one-month range while the remaining 2019 contracts have been near contract highs over the last few days. This trend reflects the difference between near-term and long-term fundamentals. In the short term, the US will see record pork production with constraints to pork export sales (to China and Mexico) due to tariffs. However, in the longer term, there is a possibility of global pork prices making significant gains due to the impact of the ongoing spread of African Swine Fever in China and Europe.

**Canadian delivered soymeal prices opened higher this morning.** A sell-off in the US equities markets was big news yesterday that spilled over into international markets. Grain markets took a turn lower too, but that action, so far, appears to be only peripherally linked. In the meantime, all eyes will be on the October WASDE report that will be released mid trade at 11:00 AM, Central time. The market is looking for an uptick in yield from the September numbers by ½ a bushel coming in at 53.3 bpa. Ending stocks are expected to likewise be increased to 950 million bu. from the 935 million bu. September number. The inclement harvest weather impacts, if any, will likely not show up in this report and instead be reflected later.

**US corn futures opened lower this morning.** Like beans, US corn futures are lower following a generally 'down day' yesterday. The move follows about three weeks of an uptrend for US corn, albeit a modest one as US corn still resides amid the lows. Traders will be focused on today's WASDE report while export numbers are delayed by one day. The trade is expecting a bump up in yield from 181.3 to 181.8 bpa on average. Ending stocks are expected to come in 145,000 bu higher than the September estimate for the 2018/19 marketing year at 1.919 billion bu. which, while not as high as the previous 2+ billion seen last year, is still a sizable amount considering numbers near 1.6-1.7 billion were previously expected.

Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		119.02 128.42	118.62 122.31	120.93 137.71	140.99 144.28	145.52 151.03	152.40 159.66	161.04 173.10	171.53 184.29	179.02 181.52	174.88 180.66
Soymeal Wpg/S.Man	437	444	444	450	447	447					

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## h@ms 2018 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Swift Current, SK	Tuesday, Oct. 30th - 12:00 Noon	Days Inn - 905 North Service Road East
Starbuck, MB	Thursday, Nov. 1st - 2:00 PM	Starbuck Community Hall - 25 Main Street
Strathmore, AB	Wednesday, Nov. 7th - 12:00 Noon	Travelodge - 350 Ridge Road