

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

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, November 26 2018

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

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US Slaughter	
2.273 mil.	Last Week
2.153 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$49.67
National	\$59.99
Iowa/S. MN.	\$49.81
ML Signature 5	\$130.65
HyLife (prev. day)	\$139.43
TCP/BP2	\$130.65
BoC Rate (Noon) prev. day \$1.3228 CAD / \$0.7559 USD	
Cash Prices Week Ending November 24, 2018	
Signature 3	124.22/56.35
Signature 4	142.09/64.45
Signature 5 Brandon	133.16/60.40
h@ms Cash	131.66/59.72
HyLife	140.58/63.77
TCP/BP2 Moose Jaw/Langley	135.72/61.56
2018 Top-Up Estimate	
\$5.93 ckg (call for details)	
ISO Weans \$47.82 US Avg.	
Feeder Pigs \$52.28 US Avg.	

Forward contract prices opened lower this morning. US cash markets traded near steady to finish the holiday reduced production week with US slaughter pegged at 2.273 million hogs. The pork carcass cut-out was able to hold its value for the last half of the week which helped support packer bids. However, the record high pork production levels are expected to be maintained for another month which could take cash hog values to their lowest level since early September. Lean hog futures opened lower this morning, taking back some of the gains that initially saw most of the 2019 contracts establish new highs last week. A noteworthy development on the spread of African Swine Fever was its discovery in Beijing and new restrictions on the movement of pigs and products that could exacerbate large spreads in regional pricing. Producers should view current prices as an opportunity profitably secure up to 25% of their intended production in the first six months of 2019.

Canadian delivered soymeal prices opened lower this morning. Pressure remains on the US soybean trade to start the week and there is very little bullish news looking forward in the short term. Harvest pressure is keeping any upside developments in check, but all eyes are essentially on the export markets. To date, export sales are coming in at 44% sold compared to the USDA goal of 1.9 billion bushels for the marketing year. This compares to a 68% five-year average at this time of year meaning bean sales are well off the seasonal pace. While alternative markets have stepped in to pick up some of the void left due to China's absence, those markets have not made up for the difference so far.

US corn futures opened lower this morning. US corn futures have started the week off on a lower note. Like beans, US corn is feeling some of the harvest pressure normally seen at this time of year. But also like beans, export markets are off the normal pace, albeit not to the same degree as soybeans. To date, export sales are coming in at 39% of the 2.45 billion bu value set by the USDA for the amount expected to be sold in the marketing year. The five-year average shows 43% of the crop in normally sold at this time. The nearby contract is trading at the lower end of the range that was established in late September/early October.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5			136.09 146.44	149.77 153.10	152.41 158.12	159.29 166.64	167.47 181.54	182.49 195.42	190.55 193.20	176.73 192.49	159.23 166.30	152.36 155.98
Soymeal Wpg/S.Man	432	432	439	443	443	450						

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