

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

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, December 24 2018

For details call: (204)235-2237 or visit
www.hamsmarketing.ca

Forward contract prices opened lower this morning. US cash markets came under pressure last week, despite solid packer demand that led to a record large US weekly hog slaughter, estimated at 2.737 million hogs. Packers took action to add hours to the production ahead of this week's holiday, resulting in the largest 1-week hog slaughter on record and an increase of 10% over the same week's slaughter last year. However, this level of growth in hog slaughter is not expected to continue, with the last week's Hogs and Pigs report suggesting February supplies would be 3.5% larger than year ago, while supplies in April and beyond will be less than 1% larger. After hitting their contract high one month ago, summer month futures have deteriorated, losing about 3%-5% of their value. There is still a high level of price volatility which benefits producers that utilize the target pricing feature of forward contracting. With no additional news on a trade resolution with China or Mexico, the market has softened despite the potential for increased export demand due to fallout from the ongoing spread of African Swine Fever in China.

Canadian delivered soymeal prices opened lower this morning. Despite talk of increased soybean purchases by Chinese buyers after the G20 meeting between Presidents Trump and Xi, the increase in sales has failed to materialize. No sales were recorded in the month of November from the US, with Chinese customs data suggesting Brazil has picked up most of this business. As a result, the futures market has moved into a lower trend with domestic bean prices dropping \$0.25/bushel over the last 3 trading days.

US corn futures opened mixed to higher this morning. The corn market is feeling the effects of dismal soybean sales, with new crop futures value dropping due to ideas of a spike in corn acres to be planted in 2019. However, record large hog and poultry numbers have helped to stabilize the market amid the negative trade influences.

US Slaughter	
2.737 mil.	Last Week
2.477 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$43.51
National	\$56.86
Iowa/S. MN.	\$43.67
ML Signature 5	\$122.55
HyLife (prev. day)	\$135.05
TCP/BP2	\$122.55
BoC Rate (Noon) prev. day	
\$1.3566 CAD / \$.7371 USD	
Cash Prices Week Ending	
December 22nd, 2018	
Signature 3	111.08/50.39
Signature 4	138.01/62.60
Signature 5	124.54/56.49
Brandon	
h@ms Cash	134.84/61.16
HyLife	136.34/61.84
TCP/BP2	126.37/57.32
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$6.38 ckg (call for details)	
ISO Weans \$66.46 US Avg.	
Feeder Pigs \$75.10 US Avg.	
Forward Range (at opening)	Dec
Maple Leaf Sig. #5	
Soymeal Wpg/S.Man	466

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
	140.60 144.82	145.20 150.94	152.74 160.31	165.74 178.28	181.21 194.33	189.67 192.40	178.89 193.57	160.90 168.16	153.82 157.55
	466	464	463	467	467				

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.

Headingley Main Office	h@ms Holiday Schedule 2018/2019	Risk Management (all times Central)
OPEN	Monday, December 24	Closed one hour early (11:30)
Closed	Tuesday, December 25	Closed
Closed	Wednesday, December 26	Closed
OPEN	Monday December 31	Open Regular hours (9:30-12:30)
Closed	Tuesday, January 1	Closed