



Hog Margin Outlook

Meeting Your Marketing Needs

Friday, December 28 2018

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

www.hamsmarketing.ca

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

US Slaughter	
455,000	Thursday
454,000	Year Ago
Daily Prices	
W. Corn Belt	\$44.38
National	\$56.57
Iowa/S. MN.	\$44.40
ML Signature 5	\$123.97
HyLife (prev. day)	\$135.29
TCP/BP2	\$123.97
BoC Rate (Noon) prev. day \$1.3641 CAD / \$0.7331 USD	
Cash Prices Week Ending	
December 29th, 2018	
Signature 3	109.94/49.87
Signature 4	136.66/61.99
Signature 5	123.30/55.93
h@ms Cash	N/A
HyLife	N/A
TCP/BP2	124.54/56.49
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 contract prices opened mixed this morning. US cash markets traded slightly lower, with both negotiated and formula based prices moving lower late this week. Packers will have no difficulty sourcing the supplies needed to meet their slaughter schedule as Christmas and next week's New Year's holidays have hog producers looking to fit additional hogs into the reduced production schedule. 2018 yielded the largest amount of pork produced in the United States ever, with 26.4 billion pounds of pork or 3.1% more than 2017, split between domestic(75%) and export(25%) consumers. In spite of the trade disputes with China, Mexico and Canada, the US shipped a record large amount of pork abroad, estimated at 5.9 billion pounds. 2019 pork production is expected to grow an additional 2.5%, with export markets likely to make the difference in producer profitability. Mexico continues to apply retaliatory tariffs against US tariffs on steel and aluminum, while China has placed more than a 60% tariff on US pork while its industry struggles with the spread of African Swine Fever.

Canadian delivered soymeal prices opened lower this morning. US Soybean and Soybean Meal futures continued their weaker trend in post-Christmas trade, with little to no influence from the large stock market gains seen on Wednesday. Wet weather in Brazil proving relief for drought like conditions helped to push the whole soybean complex to their lowest prices in 2018. However, the primary fundamental factor holding this market back remains the lack of any significant sales to China as a result of the ongoing trade war between the US and China.

US corn futures opened lower this morning. Corn Futures have been moving lower for reasons similar to the soybean complex. If no resolution to the US/China trade war is found in the next 2 months, US farmers would likely plan to add corn acres, responding to the poor returns associated to soybeans as a result of the lack of Chinese buying interest.

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5			140.80 144.25	145.55 151.33	152.79 160.40	167.32 179.91	182.86 196.04	190.07 192.81	179.42 194.20	161.37 168.66	154.16 157.89
Soymeal Wpg/S.Man	466	466	464	463	467	467					

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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