

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, February 21, 2019

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

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## US Slaughter

463,000	Wednesday
464,000	Year Ago

## Daily Prices

Iowa/S. MN.	\$47.81
W. Corn Belt	\$47.80
National	\$57.25

ML Signature 5	\$124.60
HyLife (prev. day)	\$133.39
TCP/BP2	\$124.60
BP4/TCP4	\$133.83

**BoC Rate (Noon) prev. day**  
\$1.3169 CAD / \$0.7594 USD

## Cash Prices Week Ending February 16, 2019

Signature 3	117.85/53.46
Signature 4	137.12/62.20
Signature 5	127.48/57.82
h@ms Cash	135.12/61.29
HyLife	135.40/61.42
TCP/BP2	129.50/58.74
BP4/TCP4	138.99/63.05

## 2018 Top-Up Value

\$6.50/ckg (call for details)

ISO Weans \$55.15 US Avg.

Feeder Pigs \$69.58 US Avg.

**Forward contract prices opened higher this morning.** US cash markets are mixed for the second half of the week with ISM and WCB reporting regions down approximately \$0.45 USD/cwt while the National reporting region came in about a nickel (USD) higher. The carcass cut-out was modestly higher on the day and the volatile belly primal also made some gains, but all cuts are at lows in recent memory and would need consecutive days of gains to start to make an impact. Adding to the pressure is seasonal retail weakness that is typically seen at this time of year. The cash market is currently dealing with two issues; one being a supply pressure and the other being a demand concern. That is, the market is attempting to reconcile the large volume of pork that is estimated between 5-7% higher than year-ago at precisely the same time retaliatory tariffs are being applied to US pork (China and Mexico) which have so far seen little progress on being resolved. Lean hog futures traded lower once again yesterday and the April contract briefly entered into the expanded trading limits after reaching limit lows the day earlier. Even though ASF (and the unrelated CSF in Japan) continues to spread in Southeast Asia, there have been no firm commitments from US trading partners to purchase more US pork products. The recently reported ASF outbreak in Vietnam highlights the seriousness of the disease spread but the futures market simply has no reason to price in a rally just yet.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures continue to trade in a two-sided pattern as the market awaits fresh news on China/US trade talks that are taking place this week in Washington, DC. New selling yesterday was perceived to be a function of a lack of news on the trade front and ideas that South American weather could be improving. However, private and official numbers on Brazil production are being lowered which is keeping the downside in check.

**US corn futures opened higher this morning.** US corn futures are following beans (and wheat) lower with little underpinning news to influence the trade higher. There are thoughts that the rapid pace of the Brazil harvest will position producers in the region to take advantage of an ideal planting window for the second (Safrinha) crop, adding pressure. Decent weather and some forecast moisture in Brazil are also pressuring the trade during the absence of positive news from the US.

Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		117.51 117.51	119.64 122.80	135.31 153.80	160.44 176.92	172.07 174.08	169.94 174.01	155.61 162.17	150.34 153.59	136.75 150.10	134.68 140.18
Soymeal Wpg/S.Man	451	452	455	458	465	464					

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2019 District Meetings	Date	Time	Location
Swift Current	Tuesday, March 5	12:00 Noon	Coast Hotels -905 North Service Road East, Swift Current
H.B. Marketing & MB West	Thursday, March 7	2:00 P.M.	Glesby Centre -11-2nd St. NW, Portage La Prairie
Heartland Marketing District	Thursday, March 14	2:00 P.M.	Starbuck Community Hall - 25 Main Street, Starbuck
Manitoba East	Friday, March 15	12:00 Noon	Smitty's Restaurant - Clear Spring Centre, Steinbach