

# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, March 4, 2019

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

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## US Slaughter

2.449 mil.	Last week
2.419 mil.	Year Ago

## Daily Prices

Iowa/S. MN.	\$44.96
W. Corn Belt	\$43.67
National	\$54.99

ML Signature 5	\$117.79
HyLife (prev. day)	\$127.46
TCP/BP2	\$117.79
BP4/TCP4	\$129.43

**BoC Rate (Noon) prev. day**  
\$1.3260 CAD / \$0.7541 USD

## Cash Prices Week Ending March 2, 2019

Signature 3	109.75/49.78
Signature 4	130.15/59.04
Signature 5	119.95/54.41
h@ms Cash	128.15/58.13
HyLife	128.45/58.26
TCP/BP2	124.48/56.46
BP4/TCP4	134.38/60.95

## 2018 Top-Up Value

\$6.50/ckg (call for details)

ISO Weans \$47.89 US Avg.

Feeder Pigs \$68.65 US Avg.

**Forward contract prices opened higher this morning.** US cash markets are steady-to-lower to start the week with the ISM virtually unchanged since Friday while the WCB and National regions are both lower. The 1.2% increase in slaughter over last year is relatively small observing the average year over year increase has been over 5% to date. However, there were reductions in daily slaughter due to weather related complications last week. That means, despite these complications, weekly slaughter still came in over year ago levels. Remember that production delays due to plant closures or weather delays do not represent new trends. Slaughter levels this week are expected to return to normal assuming no maintenance shut downs and there is still a lot of pork currently in (and coming to) the marketplace. Lean hog futures opened higher this morning, but the steam has run out of the earlier rally and all forward contract offerings are trading in a more sideways pattern as of this writing. Regardless of any opening strength, the market would need to see consecutive days of upward momentum in order to return the summer month contracts to their previous value. The October and December contracts, however, are trading among contract closing highs going back to 2015 and can be considered good value relative to cash settle history.

**Canadian delivered soymeal prices opened higher this morning.** US president Trump has asked the Chinese to remove all agricultural tariffs because the trade talks are progressing. He is also quick to mention that due to the progress, he is not implementing the previous threat to increase the current 10% tariff rate to 25% in a move that was widely expected. US soybean futures are higher, likely on the optimism, but the market still has a lot of beans to move and China will need to make good on their promise to buy 10 MMT of old crop beans in order for more strength to be rationalized.

**US corn futures opened higher this morning.** US corn futures are also responding to the positive China/USA trade development news currently being circulated but, like beans, the market will need to see substantial and more concrete evidence that corn is being utilized across all market segments. Recall that US corn is used mostly domestically, and a third of it is used in ethanol production. The ethanol piece may be more closely watched as there is talk more ethanol purchases are part of the current China/USA trade talks.

Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		128.22 135.05	131.24 157.12	163.82 180.47	174.45 176.48	171.82 175.93	158.19 164.81	152.91 156.20	140.52 154.01	138.42 143.98
Soymeal Wpg/S.Man	459	462	464	471	470	474				

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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