

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, April 18, 2019

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

US Slaughter

477,000 Wednesday
460,000 Year Ago

Daily Prices

Iowa/S. MN. \$78.47
W. Corn Belt \$77.75
National \$79.74

ML Signature 5 \$189.35
HyLife (prev. day) \$187.51
TCP/BP2 \$189.35
BP4/TCP4 \$188.70

BoC Rate (Noon) prev. day
\$1.3332 CAD / \$0.7501 USD

Cash Prices Week Ending April 13, 2019

Signature 3 185.34/84.07
Signature 4 184.89/83.87
Signature 5 185.12/83.97
h@ms Cash 182.89/82.96
HyLife 183.85/83.39
TCP/BP2 182.98/83.00
BP4/TCP4 180.15/81.72

2019 Rolling Top-Up Estimate

\$5.83 CAD/ckg

ISO Weans \$65.56 US Avg.

Feeder Pigs \$100.17 US Avg.

Forward contract prices are higher this morning. Friendly reminder that h@ms Marketing Services will be closed tomorrow, Friday, April 19, for Good Friday. US cash markets are mixed to finish the holiday-shortened week with ISM up \$0.26, WCB down by \$0.45, and the National region up by \$0.09 USD/cwt. The cut out remains on an upward tack which is helping packer profitability that has remained in the black during the recent run up in hog values. All primals except hams have increased in value since week ending March 9 and even though hams have seen some weakness, their value is still higher than seasonal levels except for the 2014 year. Incidentally, bellies are poised to surpass all seasonal highs next week (including 2014) if they remain on the current trend line. Lean hog futures continue to find their footing and opened lower than yesterday's close but have since recovered and are trading in a choppy pattern off the early morning lows. All eyes went to the weekly export sales report this morning which showed China back in the US hog market but to a much lesser degree than perhaps hoped for considering the information on the spread of the disease and its severity. 'Only' 23,500 MT were reported committed by China which, while still comparatively large, stands in contrast to the 77,000 MT commitments seen last week. While there is much hope and a fair bit of evidence suggesting that China will need a lot of US pork, buyers appear to be taking a more disciplined approach which will likely only add more volatility to the market in the short-to-medium terms.

Canadian delivered forward contract prices are even this morning. US soybean futures are lower heading into the Easter long weekend. This morning's export sales report showed net sales came in at 382,000 which could be considered seasonal as exports typically fall off this time of year. The number reflects a 41% increase from the previous week but a decrease of 46% relative to the four-week average due to the larger volumes seen earlier. Seasonal or not, the pace is well off what the USDA considers to be required to make previous export goals and is only chipping away at the large amount of old crop stocks currently in place.

US corn futures are lower this morning. Net sales of US corn for export came in at 947,600 MT which was up significantly from the previous week (73%) and 33% higher than the four-week average. The committed volumes are in line with sales for this time of year and if anything, sales over the previous two weeks could be considered a bit on the low side. Ethanol production was 1.4% higher than previous week but only used 101.79 million bushels. The USDA's weekly estimate to reach the goal is 105.27 million bushels per week so the report could be considered bearish. Corn futures are lower.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #5		192.75 198.30	204.57 218.43	220.53 222.26	218.60 226.01	208.73 214.58	202.94 208.51	192.69 204.21	186.26 195.26	185.77 196.64
Soymeal Wpg/S.Man	451	454	458	457	461	463				

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h@ms Marketing Services will be closed

Friday, April 19 for Good Friday.

The HMO and Opening Price reports will subsequently not be published.
The office will be open on Monday, April 22 with a minimal staff complement.