

# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, July 24, 2019

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

## US Slaughter

475,000 Tuesday

460,000 Year Ago

## Daily Prices

Iowa/S. MN. \$81.21

W. Corn Belt \$80.50

National \$75.45

ML Signature 5 \$184.96

HyLife (prev. day) \$173.99

TCP/BP2 \$184.96

BP4/TCP4 \$176.00

**BoC Rate (Noon) prev. day**  
\$1.3142 CAD / \$0.7609 USD

## Cash Prices Week Ending July 20, 2019

Signature 3 174.33/79.08

Signature 4 166.37/75.46

Signature 5 170.35/77.27

h@ms Cash 164.37/74.56

HyLife 165.91/75.26

TCP/BP2 166.18/75.38

BP4/TCP4 166.80/75.66

## Cumulative Top-Up Estimate

\$3.05 CAD/ckg

ISO Weans \$34.05 US Avg.

Feeder Pigs \$47.77 US Avg.

**Forward contract prices opened higher this morning.** US hog markets, both cash and futures surged higher again yesterday, reflecting a more 'typical' summer price trend. The current conditions in US cash markets have producers reducing their marketings, while packers have been willing to compete for hogs by driving their bids higher. In just over a month, producers have been able to become more 'current' with their marketings by shaving off about 4 pounds from average carcass weights, placing them in a better negotiating position with packers. Over the same timeframe, packers have operated with negative margins as the addition of new plants in the last 2 years have shaken up old marketing relationships and led to a more competitive cash market. Lean Hog futures have seen direct influence from the recent cash market gains, but in order to maintain the flat price trend that current futures reflect, the export market needs to come alive with significant gains in volume. Year-to-date US pork exports have struggled to keep pace with year ago levels in Mexico and Japan, the two largest destinations for US pork.

## Canadian delivered Soymeal prices opened higher this morning.

The soybean complex recovered some of the losses experienced earlier this week, likely resulting from a shift in the long term weather models favouring hot, dry weather. The delayed plantings of the US Midwest exposes the soybean crop to hot, dry conditions that are more typical in early August which could threaten yield if temperatures move higher.

## US corn futures opened higher this morning .

With no significant new information hitting the market, US Corn futures are trading steady to higher this morning. Long term weather forecasts have shifted to a hot, dry bias which could negatively impact pollination, a critical yield determining phase of corn plant development.

Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		191.67 194.22	185.70 191.15	182.18 185.08	175.13 181.70	174.26 177.02	171.52 181.32	181.06 184.75	179.60 181.61	185.45 194.85
Soymeal Delivered Wpg/S.Man	455	455	459	464	468	468				

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