

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, July 29, 2019

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

US Slaughter	
2.362 mil.	Last Year
2.001 mil.	Year Ago
Daily Prices	
Iowa/S. MN.	\$83.15
W. Corn Belt	\$85.19
National	\$79.10
ML Signature 5	\$195.46
HyLife (prev. day)	\$183.01
TCP/BP2	\$195.46
BP4/TCP4	\$185.08
BoC Rate (Noon) prev. day \$1.3182 CAD / \$0.7586 USD	
Cash Prices Week Ending July 27, 2019	
Signature 3	199.23/90.37
Signature 4	176.50/80.06
Signature 5	187.87/85.22
h@ms Cash	174.50/79.15
HyLife	177.52/80.52
TCP/BP2	170.35/77.27
BP4/TCP4	166.37/75.46
Cumulative Top-Up Estimate \$2.54 CAD/ckg	
ISO Weans \$35.36 US Avg.	
Feeder Pigs \$50.11 US Avg.	

Forward contract prices opened lower this morning. After 4 consecutive days of cash bids gaining better than \$2.00/cwt, US packers turned the market sharply lower on Friday in an attempt to recover some of their negative operating margins. The National weighted average price dropped \$3.60/cwt, erasing nearly half of last week's gains. However, the market still needs to overcome the burdensome pork supply and this week's slaughter only added to the bearish factor, with last week's slaughter totaling 2.362 million hogs, about 18% larger than year ago levels. The pork cut-out has been making modest gains, but the support has been limited to the Ham and Belly primal which have maintained impressive gains over the last 2 weeks. Lean Hog futures are expected to continue the steady/firm trend as the pork market situation in China continues to evolve with news over the weekend that some US pork will move into that country tariff free. Producers should consider setting targets for the winter timeframe on 20% of their production to secure profitability amid the conflicting fundamentals in domestic supply and export demand.

Canadian delivered soymeal prices opened lower this morning. With no major changes to the Midwest weather forecast, the soybean complex is starting the week firm in early morning trade. The China/US trade talks that are scheduled for Tuesday and Wednesday could dominate the grain markets regardless of the results.

US corn futures opened higher this morning. Corn crop conditions are expected to deteriorate by another 1%, reflecting the late plantings and increased possibility of negative effects on pollination. However, there was news over the weekend that US Corn was among a list of products that would receive limited access to the Chinese market tariff free.

Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		185.67	177.13 182.58	173.53 176.45	167.37 173.96	166.50 169.27	166.81 176.64	178.46 180.07	178.22 180.24	183.88 193.28
Soymeal Delivered Wpg/S.Man	456	456	459	462	466	466				

This bulletin is intended as a marketing tool for subscribed members only. Prices are **not** quotes and **all pricing is subject to verification**. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.