

Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, October 15, 2019

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

US Slaughter	
2.725 mil.	Last Week
2.497 mil.	Year Ago
Daily Prices	
Iowa/S. MN.	\$58.52
W. Corn Belt	\$58.41
National	\$64.75
ML Signature 5	\$146.49
HyLife (prev. day)	\$150.40
TCP/BP2	\$146.49
BP4/TCP4	\$151.68
BoC Rate (Noon) prev. day \$1.3198 CAD / \$.7577 USD	
Cash Prices Week Ending October 12, 2019	
Signature 3	128.57/58.32
Signature 4	149.17/67.66
Signature 5	138.87/62.99
h@ms Cash	147.17/66.76
HyLife	148.64/67.42
TCP/BP2	132.89/60.28
BP4/TCP4	144.10/65.36
Cumulative Top-Up Estimate \$4.68 CAD/ckg	
ISO Weans \$26.00 US Avg.	
Feeder Pigs \$42.58 US Avg.	

Forward contract prices opened higher this morning. US cash markets are higher in all regions relative to Friday – recall that the Canadian Thanksgiving holiday was on Monday, so base prices were not reported yesterday even though the US markets were open. The upward momentum has been steadily in place since the beginning of October which is seasonally typical despite some daily inconsistencies. But the big news that was developing over the weekend surrounded the announcement by (mostly) the US administration on Friday lauding the successfully negotiations that took place between high-level China and US negotiators in Washington, DC. Also announced was that ‘Phase One’ of a deal was in place, which was a bit of a surprise, considering the US side has previously been resolute on ‘whole deal or no deal’ rhetoric. Regardless, progress appears to be taking place. However, and simply put, **there is no deal in place at present**. All there is (apparently) is an agreement on the components to be included on a ‘Phase One’ portion of a broader and more all-encompassing, multi-phased agreement that has yet to be determined. The language of the Phase One is now being constructed, and after the language is in place, Presidents Trump and Xi will agree (or not) to the details at the next APEC (Asia-Pacific Economic Cooperation) summit in Santiago, Chile where the leaders will meet in a few weeks’ time. In the meantime, the speculation ahead of the APEC summit remains rampant and polarized. There are news articles reporting China **has not** officially confirmed any of the recent missives coming from the US administration on the ‘deal’ pro-offered by President Trump on Friday which included an announcement of \$50 billion in ag purchases from China. As well, Secretary Mnuchin has reaffirmed that if the Phase One deal is not signed at the APEC summit, the extra tariffs set to go into force on December 15 will be applied although he follows up by saying he is confident it will go through - recall that one of the demands from the China side was that tariff escalation is not further entertained. Lean hog futures are higher today on speculative optimism despite the ongoing uncertainty.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are up, mostly, on speculative optimism for China trade and some inclement weather over the weekend that sees standing beans inaccessible to harvest due to snow, and likely following, fields that are too wet to get on. Today’s crop progress report will be released later today and there are expectations for harvest to come in near 25% compared to the 36% five-year average and 5% last week.

US corn futures opened higher this morning. The USDA will be releasing their weekly crop progress report at 3 p.m. today. Corn harvest is expected to be around 23% complete which would be an 8% increase from last week and 4% below the 5-year average. ADM Investor Services said that the trade deal rumors with China last week indicated that corn and ethanol could possibly be included, but there is nothing in writing.

Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #5		157.48 157.48	157.65 159.27	161.21 173.78	175.26 177.16	180.21 184.09	187.67 192.25	188.27 201.14	205.23 214.53	205.72 211.42
Soymeal Delivered Wpg/S.Man	468	469	471	475	477					

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h@ms 2019 Fall Marketing Meeting Schedule

Meeting	Date and Time	Location
Swift Current, SK	Tuesday, Oct. 22nd - 12:00 Noon	Coast Swift Current Hotel - 905 North Service Road East
Starbuck, MB	Thursday, Oct. 24th – 2:00 PM	Starbuck Community Hall - 25 Main Street
Strathmore, AB	Wednesday, Oct. 30th - 12:00 Noon	Travelodge - 350 Ridge Road