

Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, November 12, 2019

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

www.hamsmarketing.ca

US Slaughter	
2.693 mil.	Last Week
2.591 mil.	Year Ago
Daily Prices	
Iowa/S. MN.	\$42.72
W. Corn Belt	\$42.72
National	\$62.65
ML Signature 5	\$125.29
HyLife (prev. day)	\$145.80
TCP/BP2	\$125.29
BP4/TCP4	\$147.04
BoC Rate (Noon) prev. day	
\$1.3223 CAD / \$0.7562 USD	
Cash Prices Week Ending November 9, 2019	
Signature 3	109.51/49.67
Signature 4	149.89/67.99
Signature 5	129.70/58.83
h@ms Cash	147.89/67.08
HyLife	148.36/67.30
TCP/BP2	137.27/62.27
BP4/TCP4	153.23/69.50
Cumulative Top-Up Estimate	
\$5.47 CAD/ckg	
ISO Weans \$31.02 US Avg.	
Feeder Pigs \$44.62 US Avg.	

Forward contract prices opened higher this morning. US cash markets are trading lower on the second day of the week as US markets were open yesterday. Many in Canada (but not all) had the day off Monday to observe Remembrance Day – it was Veterans Day in the USA but other than some government agencies being closed, Veterans Day is a working day for most Americans. The WCB and National regions were lower by \$0.77 and \$1.24 USD/cwt, respectively; there was no comparison for ISM as Friday did not reveal a price under the new system due to confidentiality. Hams and bellies have seen some support in recent days, lifting the net value of the cut-out off the lows that have been witnessed since the beginning of June. While the cut-out did see a brief period of ‘support’ in September, on balance, cut-out values this year have resided amid the lows for most marketing weeks compared to other years. If the trend remains, this week could mark the first week the cut-out has not been lower than most annual marketing week averages since June. Lean hog futures gapped higher at the open this morning but have moderated as of this writing. Nearby contracts have moved the most while deferred month contracts have seen less impressive gains. Despite this, December remains in the middle of the recently established range meaning it would have a way to go before reaching the earlier highs. In fact, even with this morning’s move, December contract is only about 3% higher than the three-year average cash settlement reference point. On the other hand, April, (May), August, and October are all approximately 25% or more higher than the cash history suggesting there is still some demand optimism priced in further out. In either case, however, futures values are no where near the highs seen last April. Export demand uncertainty remains a primary issue – it is true that demand from China is higher than historical volumes, but the shipments have been no where near the more optimistic estimates that were expected when ASF production concerns first started to appear.

Canadian delivered soymeal prices opened lower this morning. The crop progress report that would have normally been released on Monday afternoon is delayed to today due to government closures related to Veteran’s Day in the USA. Despite challenging harvest weather, beans are expected to come in at 83% complete versus the 87% complete at this time last year (92% five-year average).

US corn futures opened higher this morning. A cold weather snap is exacerbating harvest challenges as a propane shortage is now an issue which started to surface late last week. Propane shortages are impacting the fuel supply needed to dry down wet corn (and other crops) and limiting farmers’ ability to do so either at the elevator or by some other means, not to mention the impacts on heating homes and livestock operations that rely on it.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		140.48 140.48	144.70 159.80	163.18 167.62	168.81 175.01	179.80 183.46	183.99 196.90	201.01 210.34	203.60 208.73	196.80 205.39
Soymeal Delivered Wpg/S.Man	454	456	459	460	460	468				

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Carcass Competition Space Still OPEN!
No Fees for Entering Carcasses
 Contact Ron at 204-572-5282

Wednesday, December 11
 Keystone Centre
 10AM - 4 PM
 Lunch (\$12) 12PM-1PM