

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 14, 2019

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

US Slaughter	
492,000	Wednesday
480,000	Year Ago
Daily Prices	
Iowa/S. MN.	\$41.86
W. Corn Belt	\$41.85
National	\$64.05
ML Signature 5	\$126.13
HyLife (prev. day)	\$149.12
TCP/BP2	\$126.13
BP4/TCP4	\$150.63
BoC Rate (Noon) prev. day \$1.3249 CAD / \$.7550 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 lower this morning. US cash markets are once again mixed this week with ISM and WCB pushing lower while the National region has seen some modest support. The National region, despite the recent two days of support, is still trending lower week over week, albeit at a pace that is higher than the adjusted three-year average normally seen this time of year (i.e. by about 6% higher). The WCB, on the other hand, has seen relatively steady decreases since marketing week 42 (week ending October 19) and is now approaching the low levels seen in December of 2016 when the region came in at under \$41 USD/cwt. The bottom in 2016 coincidentally materialized in this marketing week as well but there are no guarantees that the cash market has reached seasonal lows just yet. Cash markets are still pressured amid large pork production and an export pace that has so far not been enough to draw down supplies rapidly enough to usher in firmer pricing. But if seasonality is maintained, market observers will be watching for the typical post-US Thanksgiving support to materialize heading into the new year in the coming weeks. Yesterday, lean hog futures gave back almost all the previous day's gains as no news on trade developments or export data surfaced. In terms of trade data, the market is going to have to wait until tomorrow for the Weekly Export Sales report to be released which is normally published before the market open on Thursdays. All USDA reporting this week has been pushed back by one day due to Veterans Day in the USA (Remembrance Day in Canada). Markets are currently lower in the absence of market moving, headline news this morning while reconciling large production volumes with cautious optimism on trade developments (and future pork movements) further out.

Canadian delivered soymeal prices opened higher this morning. The Brazilian analysis firm CONAB recently released production estimates where the numbers were raised slightly from October estimates to 120.86 MMT for the 2019/20 crop year which is about 5 MMT higher than last year. By way of comparison, the USDA has Brazilian crop production so far pegged at 123.0 MMT. News making the rounds in recent days suggests Chinese negotiators are unwilling or unable to commit to a hard number of ag purchases to be included in the Phase One trade deal. The move is considered to be another obstacle in the talks that could push the signing of any agreement back further.

US corn futures opened higher this morning. US corn futures remain supported on a very low harvest pace and ongoing production concerns for the US crop. The futures, however, are generally trading amid recent lows and have a way to go before reaching the highs seen earlier in the year. Demand side has been too soft and has so far outweighed any production concerns until the final yield is known.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		137.13 137.13	141.88 157.03	160.42 166.84	168.03 174.25	178.42 182.08	183.44 196.34	200.46 209.78	203.31 208.44	196.44 205.03
Soymeal Delivered Wpg/S.Man	458	459	462	464	464	471				

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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