

# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, November 15, 2019

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

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

## US Slaughter

488,000 Thursday  
491,000 Year Ago

## Daily Prices

Iowa/S. MN. \$41.80  
W. Corn Belt \$41.74  
National \$63.81

ML Signature 5 \$125.80  
HyLife (prev. day) \$148.79  
TCP/BP2 \$125.80  
BP4/TCP4 \$150.16

**BoC Rate (Noon) prev. day**  
\$1.3258 CAD / \$0.7543 USD

## Cash Prices Week Ending

November 16, 2019

Signature 3 102.73/46.60  
Signature 4 149.48/67.80  
Signature 5 126.10/57.20  
h@ms Cash 147.48/66.90  
HyLife N/A  
TCP/BP2 129.70/58.83  
BP4/TCP4 149.89/67.99

## 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 lower to finish the week with all reporting regions lower relative to the previous day; ISM, WCB, and National were down by \$0.06, \$0.11, and \$0.24 USD/cwt, respectively. Market watchers will be looking for signs of seasonal support and recently, the pork cut-out has been making incremental gains week over week putting the net value of the carcass (currently in the upper \$80-range) within reach of the higher values seen all this year. Unfortunately, the 'highs' so far have only reached \$88.88 USD/cwt seen in week ending August 17 as the cut-out has been generally pressured for most of 2019 relative to other years. Massive pork production and demand that is softer relative to expectations has been weighing on all markets for most of the year. There are only six weeks left in the marketing year starting next week. This morning, the holiday-delayed, weekly export sales report showed China with 5,500 MT in new commitments this year and 9,900 MT for 2020 representing a reversal from last week's 2,000 MT \*cancellation\*. Physical deliveries to China amounted to 10,900 MT for week ending November 7, but recall that split carcasses, if they are still being shipped as is widely thought, will not be reflected on this report. It's one of the limitations of the weekly export sales number that will cloud total shipments and intentions moving forward – the market will have to wait for customs data (October numbers to be released on December 5) for a better idea on pork 'actual' movements out of the USA. In the meantime, futures markets are lower based on this morning's somewhat disappointing data once again. While net export numbers were higher than week ago, and China has 'shown up' in the report today, the market will need much more volume than that, and certainly more future commitments, in order to provide a boost to the futures contracts, that, incidentally, are currently trading near contract highs in the 'summer months'.

## Canadian delivered soymeal prices opened higher this morning.

The holiday-delayed Weekly Export Sales report showed net bean sales at 1.253 MMT against a pre-report expectation of between 800,000 and 1,400,000 MT. The net sales number represents a 31% decrease from the previous week. Net exports were down 18% from the previous week and 4% compared to the prior four-week average coming in at 1.274 MMT.

## US corn futures opened lower this morning.

Net weekly export sales came in at 581,600 MT against a pre-market range of expectations between 400,000 and 800,000 putting the weekly total at just under the halfway mark of the expected range. Despite this, the volume represents an increase in corn exports of 19% week over week and 23% higher than the four-week average. US corn has struggle in recent weeks and while corn \*only\* represents approximately 15% of annual disappearance, the profile is pressuring markets generally.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		134.87 134.87	134.72 148.07	153.20 158.08	156.49 166.79	173.20 176.85	178.45 191.33	195.43 201.75	199.26 203.08	185.88 201.05
Soymeal Delivered Wpg/S.Man	461	462	465	467	467	473				

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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**