

# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, November 25, 2019

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

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

## US Slaughter

2.758 mil. Last Week  
2.245 mil. Year Ago

## Daily Prices

Iowa/S. MN. \$41.80  
W. Corn Belt \$41.82  
National \$63.74

ML Signature 5 \$126.09  
HyLife (prev. day) \$149.03  
TCP/BP2 \$126.09  
BP4/TCP4 \$150.32

**BoC Rate (Noon) prev. day**  
\$1.3287 CAD / \$0.7530 USD

## Cash Prices Week Ending

November 23, 2019

Signature 3 102.58/46.53  
Signature 4 150.56/68.29  
Signature 5 126.57/57.41  
h@ms Cash 148.56/67.39  
HyLife 149.10/67.63  
TCP/BP2 126.10/57.20  
BP4/TCP4 149.48/67.80

## Cumulative Top-Up Estimate

\$6.25 CAD/ckg

ISO Weans \$32.51 US Avg.

Feeder Pigs \$46.69 US Avg.

**Forward contract prices opened lower this morning.** US cash markets are lower to start the week with ISM, WCB, and National regions down by \$0.49, \$0.48, and \$0.17 USD/cwt, respectively. Price support typically doesn't return until after the US Thanksgiving holiday (celebrated this Thursday November 28), but that support doesn't always materialize the week immediately following in all the reporting regions as a rule per se. This year, Thanksgiving is 'late', coming in seven days later than when it fell on November 22 last year (marketing week 47). But pricing last year didn't recover at all until the following January. Other years saw recoveries spanning week 48 to week 52(!). The point is, prices have recovered after US Thanksgiving \*on average\*, but there is absolutely no guarantee that cash support will develop, and considering the massive pork production estimates combined with a disappearance profile that is coming in lower than expectations, the export channel will be closely watched for clues on direction. Commercial hog slaughter was estimated at 5.6% higher than year ago which is a new record. Sow slaughter is lower than year ago suggesting producers are holding back productive sows. Pork production in the month of October has been estimates at 6.4% higher than last year. Lean hog futures are starting the week off on a lower note as nothing has fundamentally changed for now although aggregated weekly data has so far shown the weekly October volume into China to be up by over double relative to September and at the highest level for 2019. The market likely knows this, but it will be interesting to see how much 'extra' is added to the final amount when the HS-coded customs data for October is released on December 6. In the meantime, Chinese buyers have been very disciplined and strategic in their purchase strategy despite massive losses due to ASF and a record price spread between the USA and China for pork and pigs.

## Canadian delivered soymeal prices opened lower this morning.

The narrative from the US side of the trade negotiations still maintains that a Phase-One trade deal with China is still possible by the end of the year, but the market appears to be tiring of these missives, especially when nothing seems to be happening. The Commitments of Traders report showed beans were net long 18,452 contracts but less long than the previous report suggesting some optimism is fading.

## US corn futures opened higher this morning.

US corn futures are higher to start the week following good export numbers last week and despite a Commitments of Traders report that came in 'more short' (i.e. less optimistic) than the previous reporting. US corn has struggle to make gains as the overall demand profile has become weaker in recent months, but the trade appears to be probing for a bottom currently.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5	n/a	125.53	125.40 138.59	143.74 148.66	145.66 156.50	162.91 165.73	166.33 179.40	183.64 190.11	187.52 190.99	175.54 190.63
Soymeal Delivered Wpg/S.Man	469	469	471	473	476	478				

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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**