

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, December 27, 2019

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

US Slaughter

493,000 Thursday
441,000 Year Ago

Daily Prices

Iowa/S. MN. \$48.76
W. Corn Belt \$48.76
National \$63.31

ML Signature 5 \$132.72
HyLife (prev. day) \$146.63
TCP/BP2 \$132.72
BP4/TCP4 \$147.85

BoC Rate (Noon) prev. day
\$1.3157 CAD / \$0.7601 USD

Cash Prices Week Ending

December 28, 2019

Signature 3 115.80/52.53
Signature 4 147.29/66.81
Signature 5 131.55/59.67
h@ms Cash 145.29/65.90
HyLife N/A
TCP/BP2 131.70/59.74
BP4/TCP4 148.88/67.53

Cumulative Top-Up Estimate

\$7.23 CAD/ckg

ISO Weans \$46.60 US Avg.
Feeder Pigs \$65.70 US Avg.

Forward contract prices opened lower this morning. While Canadian markets were closed for Boxing Day, US cash markets made marginal gains, with the negotiated prices struggling to make up ground against the formula price which holds nearly a \$20/cwt premium. Hog supplies are abundant, especially in the holiday reduced work week where the market will see its capacity to process the hogs shrink by nearly 18%. With the largest weekly slaughter ever recorded at 2.81 million hogs, the market will struggle to clear the backlog and likely see depressed prices for the next week. Lean Hog futures experienced some support, with the spring month contracts closing at their highest levels since mid-November. The March – May timeframe received some support from the Hogs and Pigs report earlier this week, when the lighter weight categories were reported to be only 1% larger than year ago levels. When combined with the negative effect of a strong Canadian Dollar, Spring forward prices experienced modest gains.

Canadian delivered soymeal prices opened lower this morning. Beans continue to put upward pressure on Soymeal futures, after the nearby contract has added about \$0.70/bushel since early December. However, wet weather across large areas of South America may slow the uptrend, with crop conditions and prospective yields good. Customs data from China showed a decisive improvement US soybean import volumes, with 2.56 million tonnes, the largest monthly volume since March 2018.

US corn futures opened higher this morning. Corn Futures held their steady trend in trade after the Christmas break, with old crop contracts showing no willingness to break out. Volumes were significantly lower than at this time last week, reflecting the normal holiday trade. Traders are transitioning to a focus on new crop fundamentals with the release of the January Crop Production Report be-

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #5		148.12 152.96	153.55 164.23	170.64 173.40	174.58 187.43	191.63 198.00	194.49 197.91	158.08 196.78	147.77 152.37
Soymeal Delivered Wpg/S.Man	443	450	455	455	460	460			

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Headingley Main Office	h@ms Holiday Schedule 2019/2020	Risk Management (all times Central)
OPEN	Tuesday, December 24	Closed one hour early (11:30)
Closed	Wednesday, December 25	Closed
Closed	Thursday, December 26	Closed
OPEN	Tuesday December 31	Open Regular hours (9:30-12:30)
Closed	Wednesday, January 1	Closed