

# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, December 30, 2019

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

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

## US Slaughter

2.034 mil. Last Week  
1.902 mil. Year Ago

## Daily Prices

Iowa/S. MN. \$49.23  
W. Corn Belt \$49.16  
National \$61.98

ML Signature 5 \$130.86  
HyLife (prev. day) \$143.52  
TCP/BP2 \$130.86  
BP4/TCP4 \$143.87

**BoC Rate (Noon) prev. day**  
\$1.3078 CAD / \$0.7650 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 144.58/65.58  
TCP/BP2 131.70/59.74  
BP4/TCP4 148.88/67.53

## Cumulative Top-Up Estimate

\$7.23 CAD/ckg

ISO Weans \$55.86 US Avg.

Feeder Pigs \$58.72 US Avg.

**Forward contract prices opened mixed this morning.** US cash markets are making modest gains to finish out the year, with prices for uncommitted hogs gaining value over last week. As hog supplies moderate and provide for more slack slaughter capacity, these values (reflected in negotiated prices) should continue to improve and start to narrow the gap with the pork carcass cut-out. However, up front hog supplies remain heavy with the latest Hogs and pigs report showing market ready hog numbers close to 7% larger than year ago, while the hogs expected to be delivered over the next month are nearly 5% larger. The current supply situation only puts more pressure on the export markets to increase volumes. Lean Hog futures have reflected greater optimism about the export potential over the last two weeks, with the winter and spring contracts improving by approximately 5%. 2020 is anticipated to maintain the unprecedented market volatility which could provide for some better pricing opportunities in the coming months.

**Canadian delivered soymeal prices opened even this morning.** Early trade in the soybean complex was bullish with the holiday trade still heavily influenced from the positive consequences of a 'Phase 1' deal with China. Last week, the most active bean futures contract rallied to its highest level in more than a year. Delivered soymeal prices are similar to the levels seen at this time last year, with US spot prices about 3% lower, with a relatively tight trading range over the year.

**US corn futures opened lower this morning.** News on corn export sales released on Friday revealed a slower than anticipated pace of exports to China. This resulted in downward pressure on the Corn market in early morning trade.

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #5		149.14 153.97	153.54 164.22	170.51 173.27	174.51 187.35	191.54 197.90	194.42 197.84	158.18 196.78	147.88 152.48
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