

Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, November 24, 2020

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

US Slaughter

497,000	Monday
493,000	Year Ago

Daily Prices

WCB	\$57.98
National	\$68.91
Nat'l Cutout Adj	\$69.99

Signature 4	\$160.00
BP4/TCP4	\$160.00
HyLife Cash	\$169.77
HyLife Cutout	\$172.45

BoC Rate (Noon) prev. day
\$1.3082 CAD / \$0.7644 USD

Cash Prices Week Ending November 21, 2020

Signature 4	163.78/74.29
h@ms Cash	161.78/73.38
HyLife Cash	172.86/78.41
HyLife Cutout	175.51/79.61
BP4/TCP4	166.23/75.40
OlyWest 2020	165.80/75.21
OlyWest 2021 (Cutout)	181.20/82.19

2020 Top-Up (YTD Rolling Est.)
\$17.72 CAD/pkg

ISO Weans \$38.55 US Avg.

Feeder Pigs \$50.77 US Avg.

Forward contract prices opened mostly lower this morning. US cash markets started this holiday reduced production week with modest declines. The 20% reduction in hog slaughter that is anticipated this week, will likely result in a backlog of market ready hogs into early December, a normal feature of the market at this time of year. However, with the added possibility of COVID 19 disruptions there is a risk of the tight schedule being further impacted by unexpected shutdowns which could weigh on prices. On the demand side, pork consumption at home has been stellar compared to any recent year, but of course, COVID 19 has skewed the demand of almost all foodstuffs to 'at home' consumption. During the COVID 19 outbreak, retailers have significantly curtailed their merchandising efforts and have focused simply on making sure their shelves are not empty as retail activity is up sharply. Lean Hog futures will continue to reflect these fundamentals by experiencing higher volatility in the nearby contracts as the market reacts to the ongoing surprises that directly affect cash prices. The deferred month contracts will be more steady, factoring in the probability and timing of a return to normal market trends.

US soybean futures opened lower this morning. Yesterday, Soybean futures hit new contract highs and rallied to their highest level in 4 years. A shift in focus to the South American growing season and their current dry start has been the latest bullish factor to push the market higher. However, rains in some of the driest parts of South America have resulted in weaker prices this morning.

US corn futures opened lower this morning. Corn futures made new contract highs in yesterday's trade, spurred on by good export sales. However, the gains have been supported by a huge fund position that has had a heavy buying bias. Only once previous has the 'managed money' long corn futures position been larger, and that was more than 8 years ago.

FC Range
(at opening)

Maple Leaf
Sig 4

Soymeal
Del Wpg/S.Man

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

133.88
144.08

146.63
149.64

147.14
153.39

152.70
161.36

158.12
172.54

175.08
183.65

180.37
184.11

175.34
186.00

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Risk Management at h@ms Marketing Services will be closed

Thursday, November 26 for US Thanksgiving - Markets are closed. Forward contracting will be suspended - the HMO and Opening Price information will not be published.

Normal business resumes on Friday, November 27. The main office will remain open.