

# Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, November 25, 2020

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

## US Slaughter

497,000 Tuesday  
490,000 Year Ago

## Daily Prices

WCB \$57.59  
National \$68.76  
Nat'l Cutout Adj \$69.82  
Signature 4 \$159.06  
BP4/TCP4 \$159.06  
HyLife Cash \$169.55  
HyLife Cutout \$172.18

**BoC Rate (Noon) prev. day**  
\$1.3033 CAD / \$0.7673 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/ckg

ISO Weans \$38.55 US Avg.

Feeder Pigs \$50.77 US Avg.

**Forward contract prices opened mostly higher this morning. Producers should be aware that Forward Contracting will be closed tomorrow, due to the US Thanksgiving Holiday.** US cash markets continue to sink lower with losses averaging close to \$0.50/cwt per day and matching a similar trend in the pork carcass cut-out. While cold storage stocks of several of the pork primal cuts are in short supply, high production levels and significant quantities of unreported inventory are likely preventing a positive price response to the tight 'official' inventory. Nearby US Lean Hog futures continue their steady trend, maintaining a \$4.00/cwt price range for the last month. Traders have been watching for supply chain disruptions during the second wave of COVID 19, viewing it with caution given that we are in the period of the highest production for the year, but no major trouble has materialized yet. Longer term, Lean Hog futures for the spring and summer have gained about 5% of their value over the last 4 trading days. April – July forward contract prices are currently offered at levels similar to the average cash market price for this time of year. Producers without protection in this timeframe should consider setting targets for as much as 1/3 of their production on gains of \$6-\$10/ckg.

**US soymeal futures opened lower this morning.** Trade is expected to be slower today and Friday, given the influence of US Thanksgiving and the lack of any new fundamental information being released. Prices are moving lower, with influence from better South American weather improving the prospects of their crop.

**US corn futures opened lower this morning.** Without new Fund buying interest fueling the market, charts for the December Corn contract are looking 'Topy', with this morning's decline amounting to about 4 cents per bushel. Corn markets are seeing influence from the soybean complex where there are concerns over export sales cancellations.

FC Range  
(at opening)

Maple Leaf  
Sig 4

Soymeal  
Del Wpg/S.Man

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

135.17  
145.33

147.86  
150.86

147.91  
154.14

153.45  
162.32

159.09  
172.94

175.48  
184.03

180.56  
184.49

175.60  
186.21

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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.