

# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, December 1, 2020

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

## US Slaughter

497,000 Monday  
496,000 Year Ago

## Daily Prices

WCB	\$56.76
National	\$68.21
Nat'l Cutout Adj	\$72.08
Signature 4	\$156.96
BP4/TCP4	\$156.96
HyLife Cash	\$166.95
HyLife Cutout	\$171.90

**BoC Rate (Noon) prev. day**  
\$1.2965 CAD / \$0.7713 USD

## Cash Prices Week Ending

November 28, 2020

Signature 4	159.35/72.28
h@ms Cash	157.35/71.37
HyLife Cash	169.09/76.70
HyLife Cutout	173.45/78.68
BP4/TCP4	163.78/74.29
OlyWest 2020	160.30/72.71
OlyWest 2021 (Cutout)	174.60/79.20

**2020 Top-Up (YTD Rolling Est.)**

\$17.57 CAD/ckg

ISO Weans \$40.16 US Avg.

Feeder Pigs \$50.00 US Avg.

**Forward contract prices opened mostly higher this morning.** US cash hog values appear to be stabilizing, with cash bids experiencing a slight improvement in yesterday's trade. The pork carcass cut-out is helping the trend with the benchmark price for wholesale pork cuts seeing a modest improvement in yesterday's trade. The support came almost exclusively from the pork belly primal, which gained nearly 10% of its value in yesterday's trade. Pork bellies have the dubious reputation of being among the most volatile of any agricultural product, and given that they make up 16% of the hog carcass by weight, have a major influence on the pork cut-out value. Lean Hog futures have also been experiencing gains, with almost all contracts finishing the month of November at their highs. Over the last 2 months, traders have factored in more optimism that the negative impact of COVID 19 will diminish as we approach the summer of 2021. However, recently the June, July and August contracts are not gaining as quickly as the nearby contracts, which may provide an opportunity to cover your winter production and gain certainty in your near term cash flow.

**US soymeal futures opened lower this morning.** The US soybean complex was sharply lower in yesterday's trade, reflecting the widespread improvement in South America's growing conditions over the weekend. Rains across the Southern continent are expected to continue which should provide sustained pressure on North America's grain prices.

**US corn futures opened lower this morning.** Funds are reported to be exiting their net 'Long' position in Corn futures, which could result in a change in the price trend. Already, the March Corn is trading near its lowest level in 2 weeks, providing some relief to livestock feeding margins.

FC Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Maple Leaf Sig 4	141.18 151.07	153.60 159.59	151.69 157.67	159.74 165.69	163.35 174.85	177.38 185.89	183.11 186.35	176.89 187.48	158.42 167.39
Soymeal Del Wpg/S.Man									

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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.