

**Hog Prices:** ↑↓ **Soymeal:** ↑  
**Corn:** ↓ **Cdn Dollar:** ↓

# Hog Margin Outlook

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**Thursday, October 13, 2011**

**Forward contract prices opened mixed this morning.** Pack-  
er bids are trending lower as live hog supplies are outpacing the  
demand, while wholesale pork prices have come under pressure  
lately, a typical trend for this time of year. Weekly hog slaughter  
has consistently outpaced last year's by about 2% for the last  
month and a half, which until recently, was easily cleared from the  
market via increased export sales. Lean Hog futures have come  
under pressure from technical selling, with fund managers at-  
tempting to preserve the gains achieved in their portfolio by selling  
out of their large long positions. The Canadian Dollar continues to  
trade with high volatility as the Loonie weakens compared to the  
U.S. Dollar after yesterday's trade which saw the biggest one day  
gains in months. Winter month forward contract prices reflect  
good value given the uncertain in both exchange rates and export  
sales for pork.

**Canadian delivered soymeal prices opened higher this morning.** USDA reported lower than expected yields therefore  
less production. This however was offset by the lowered expected  
exports by 40 million bushels. Average yield was predicted to be  
41.8 bushels per acre last month and is now 41.5 bushels per  
acre.

**Canadian delivered corn prices opened higher this morning.**  
The USDA noted a sale of 900,000 metric tons to China for  
2011/12 and 292,110 metric tons to unknown destinations. Yield  
expectations remain constant at 148.1 bushels per acre.

<b>US Slaughter</b>	
430,000	—Wednesday's
425,000	—Wednesday's (year ago)
Western Corn Belt	\$90.63
Daily National Price	\$93.59
Daily Sig3(M.Leaf)	\$168.85
Daily Sig4(M.Leaf)	\$168.84
4-Month Fwd Avg	\$158.00
#1 Export Sows (+500lbs)	\$54.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0164 CAD / \$0.9838 US	
<b>Cash Prices: Week Ending October 7th, 2011</b>	
79.85/176.03	Signature #3
77.42/170.67	Signature #4
77.42/170.67	h@ms Cash
76.25/168.10	Hylife
ISO Weans \$16-43US	
Feeder Pigs \$32-43.50US	

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Fixed Forward Range (Maple Leaf Sig. #3)		152.51	153.55	152.67	162.33	163.27	166.05	177.80	176.85	177.59
		154.49	158.25	161.14	165.38	164.68	175.02	181.10	182.99	177.59
(Maple Leaf Sig. #4)		152.79	155.52	155.04	162.03	162.03	164.46	173.73	177.38	174.51
		155.52	157.52	158.96	162.98	164.03	171.40	178.11	179.76	175.23
Soymeal Delivered	356	357	358	368						
Corn Delivered	256	256	258							

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