

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, October 25, 2011

Forward contract prices opened lower this morning. U.S. cash markets are trading steady this morning, following a start to the week that saw packers hold their bids and slaughter number expectations steady with last week. Wholesale pork prices continue to hold up strong against the seasonal factors that typically impact prices. Compared to last year, the pork cut-out is 25% higher, to date avoiding any seasonal weakness. Lean Hog futures have a positive trend factored into the 2012 contracts, but a spread of only \$8.00/cwt between the February and June contracts is evidence that traders are cautious about factoring in a continuation of strong exports. The Canadian Dollar is slowly creeping back towards parity, up 5 cents from its lows made earlier this month.

Fall Marketing Meetings		
Date	Time	Location
Nov. 2	Noon	Brandon - Royal Oak Inn & Suites (3130 Victoria Ave)
Nov. 3	1:00 PM	Starbuck - Starbuck community Hall (25 Main St.)
Nov. 4	Noon	Steinbach - Smitty's Restaurant (Clearspring Mall Highway 12)
Nov. 7	Noon	Swift Current - Wong's Kitchen Swift Current (320 S Service Road East)
Nov. 8	Noon	Saskatoon - Sandman Hotel Saskatoon (310 Circle Drive West)

Canadian delivered soymeal prices opened lower this morning. As of Sunday, soybean harvest is 80% complete. Crude oil prices are strong, influencing the price of soyoil, a co-product of soybeans and an ingredient of biodiesel fuel.

Canadian delivered corn prices opened lower this morning. USDA noted corn harvest has made less progress than expected, at 65% complete, as of Sunday. China National Grain and Oils Information Center recently announced China is set to purchase ~5 million metric tons of corn, making supplies tighter.

US Slaughter	
429,000	—Monday's
423,000	—Monday's (year ago)
Western Corn Belt	\$90.81
Daily National Price	\$93.25
Daily Sig3(M.Leaf)	\$167.10
Daily Sig4(M.Leaf)	\$166.16
4-Month Fwd Avg	\$159.21
#1 Export Sows (+500lbs)	\$47.50cwt
B of C Ex. Rate (Noon)	
\$1.0039CAD / \$0.9961 US	
Cash Prices: Week Ending October 21st, 2011	
77.04/169.84	Signature #3
76.21/168.02	Signature #4
75.76/167.02	h@ms Cash
75.23/165.85	Hylife
ISO Weans \$31-42US	
Feeder Pigs \$37.50-47.50US	

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Fixed Forward Range (Maple Leaf Sig. #3)		155.47	154.54	153.66	162.73	163.67	165.91	177.12	176.19	176.54
		155.47	159.20	162.08	166.29	165.07	174.78	180.39	182.26	176.54
(Maple Leaf Sig. #4)		152.81	155.52	155.23	162.02	162.02	163.92	173.06	176.32	173.11
		152.81	157.50	159.13	163.11	164.02	170.79	177.04	178.67	173.82
Soymeal Delivered	367	367	372	381						
Corn Delivered	272	271	277							

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