

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, November 08, 2011

Forward contract prices opened mixed this morning. U.S. packers are still attempting to manage their operating margins by cutting cash bids while they anticipate further declines in the pork cut-out. Most of the cash market regions were \$1.00/cwt lower, while the pork cutout found some support, and rallied close to a dollar to \$93/cwt. This week's slaughter is expected to be slightly larger than last week's 2.35 million, with 2011 supply expected to peak in the next two weeks. Lean Hog futures have followed the cash market lower, but are still reflecting a steady trend into mid-December. Futures traders have little rationale to maintain a premium over the current cash market as uncertainty in export demand remains a threat to the cash market. Gains in the Canadian Dollar have been capped recently as Italy has moved to center stage in the European debt crisis. Italy's current government could be at risk of losing power, with a confidence vote expected for later this morning.

US Slaughter	
430,000 – Monday's	
425,000 – Monday's (year ago)	
Western Corn Belt	\$84.99
Daily National Price	\$88.99
Daily Sig3(M.Leaf)	\$158.47
Daily Sig4(M.Leaf)	\$160.68
4-Month Fwd Avg	\$155.03
#1 Export Sows (+500lbs)	\$48.50cwt
B of C Ex. Rate (Noon) \$1.0172CAD / \$0.9831US	
Cash Prices: Week Ending November 04th, 2011	
73.02/160.99 Signature #3	
73.52/162.09 Signature #4	
72.12/159.00 h@ms Cash	
71.87/158.44 Hylife	
ISO Weans	\$25-42.75US
Feeder Pigs	\$38-55US

Fall Marketing Meetings

Date	Time	Location
Nov. 8	Noon	Saskatoon - Sandman Hotel Saskatoon (310 Circle Drive West)

Canadian delivered soymeal prices opened higher this morning. USDA estimates for production, inventory and demand will be released tomorrow morning. Soybean inventories are suspected to be higher due to slower export demand, which will be confirmed or denied in tomorrow's USDA analysis.

Canadian delivered corn prices opened lower this morning. The market anticipates a slight tightening of U.S. corn supplies as reported in tomorrow's WASDE report. However, the large revisions to recent reports has traders taking more caution in their positions ahead of its release. Weekly exports for corn were below trade expectations at 22.2 million bushels.

	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		148.24 151.97	147.06 155.47	158.49 159.67	159.42 160.82	161.48 170.33	174.21 177.47	173.28 179.34	176.18 177.11	168.38 176.78
(Maple Leaf Sig. #4)		149.96 151.95	149.28 153.17	156.42 157.91	157.91 159.90	159.62 166.48	170.24 174.21	173.48 175.83	173.68 174.40	167.66 173.62
Soymeal Delivered	347	351	359	368	374	376				
Corn Delivered	267	267	273	273						

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Rothsay Animal Vegetable Feed Fat
\$920 tonne ↓ (2 – 19 mt)

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