



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, November 14, 2011

**Forward contract prices opened mixed this morning.** U.S. cash markets are expected to start the week lower as packers bids moved steadily lower last week and supplies are only expected to get larger this week. Last week's slaughter was estimated at 2.35 million hogs, slightly larger than year ago levels and amongst the largest of 2011. Producers have already altered their normal marketing schedules ahead of next week's U.S. Thanksgiving holiday, which typically cuts production by about 20%. Lean Hog futures are down between \$3 and \$5/cwt from their highs, with the nearby contracts seeing the greatest weakness. Traders are unwilling to price the December contract at a premium to the cash market, while the cash market continues to weaken. The Canadian Dollar continues to see direct influence from the ongoing European debt crisis with Italy the focus over the week-end.

**Canadian delivered soymeal prices opened mixed this morning.** Soybean's recent price decline has attracted China to import more at the new price levels. USDA last week made an interesting forecast that, in the global market 2011-12 marketing year Brazil will surpass U.S. as the leading exporter of soybeans.

**Canadian delivered corn prices opened mixed this morning.** Corn exports are slow, but are being offset by strong domestic demand from livestock feeders and ethanol producers. Margins are more amicable since prices have decreased and the U.S. dollar is stronger. USDA is set to release the weekly Export Inspections & Crop Progress Reports today.

US Slaughter	
2.35 Mill – Last Week's	
2.34 Mill – Last Week's (year ago)	
Western Corn Belt	\$82.60
Daily National Price	\$87.39
Daily Sig3(M.Leaf)	\$154.28
Daily Sig4(M.Leaf)	\$158.06
4-Month Fwd Avg	\$154.61
#1 Export Sows (+500lbs)	\$48.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0190CAD / \$0.9814US	
<b>Cash Prices: Week Ending November 11th, 2011</b>	
71.23/157.04	Signature #3
72.47/159.77	Signature #4
70.31/155.00	h@ms Cash
71.05/156.63	Hylife
ISO Weans	\$25-42.75US
Feeder Pigs	\$38-55US

	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		150.19	145.98	156.27	157.58	160.18	172.61	171.67	174.21	166.16
		150.19	154.40	158.61	158.99	169.08	175.89	177.76	175.15	174.55
(Maple Leaf Sig. #4)		151.86	148.25	155.41	156.13	158.38	168.69	171.96	171.77	165.51
		151.86	152.14	156.13	158.12	165.28	172.68	174.32	172.49	171.46
Soymeal Delivered	335	340	348	358	363	367	367	371		
Corn Delivered	267	267	273	273						

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\$875 tonne ↓ (2 – 19 mt)

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