

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, November 17, 2011

Forward contract prices opened lower this morning. Cash markets continue their decline from three weeks ago, falling more than \$10.00/cwt or about \$3.00/week. This rate of decline is faster than typical for this time of year, however the normal seasonal drop in prices typically starts in early October while this year we experienced counter seasonal strength. The cash market trend is the largest factor impacting nearby contracts, with future traders growing more pessimistic about the ability of the cash market to strengthen by \$4.00/cwt over the next 4 weeks. There is still no discernible improvement in European Debt Crisis, resulting in a weak Canadian Dollar despite the Crude Oil breaking through the benchmark of \$100/barrel. Forward contract prices represent good value given that producers could lock in a decline of only \$1.00/kg per week when the trend has been close to \$4.00/kg.

Canadian delivered soymeal prices opened higher this morning. The USDA Weekly Sales Report indicated total soybean sales for week ending Nov 10 at 751,200 metric tons. Sales to China, the world's leading importer of soybeans, were 517,100 tons, within the range anticipated by analysts.

Canadian delivered corn prices opened lower this morning. The USDA Weekly Sales Report showed total corn sales for week ending Nov 10 at 208,900 metric tons, lower than the range analysts anticipated (250,000-600,000 tons). Corn sales to unknown destinations for corn sales were 60,000 metric tons in the

US Slaughter	
431,000 – Wednesday's	
426,000 – Wednesday's (year ago)	
Western Corn Belt	\$80.85
Daily National Price	\$84.92
Daily Sig3(M.Leaf)	\$151.25
Daily Sig4(M.Leaf)	\$153.83
4-Month Fwd Avg	\$157.10
#1 Export Sows (+500lbs)	\$49.50cwt
B of C Ex. Rate (Noon)	
\$1.0206CAD / \$0.9798US	
Cash Prices: Week Ending November 11th, 2011	
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 \$24-59US	
Feeder Pigs \$43-59.50US	

	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		149.92	149.80	160.14	161.08	163.52	176.46	175.05	176.91	166.31
		149.92	158.26	162.49	162.49	172.45	179.75	181.63	177.85	177.10
(Maple Leaf Sig. #4)		151.63	151.07	158.45	158.81	161.08	171.97	175.34	173.86	166.68
		151.63	155.17	159.18	161.00	168.00	176.07	177.71	174.77	172.86
Soymeal Delivered	333	337	346	355	361	363	363	368		
Corn Delivered	264	265	271	272						

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