



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, November 18, 2011

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

US Slaughter	
429,000 – Thursday's	
424,000 – Thursday's (year ago)	
Western Corn Belt	\$79.98
Daily National Price	\$84.61
Daily Sig3(M.Leaf)	\$149.92
Daily Sig4(M.Leaf)	\$153.57
4-Month Fwd Avg	\$159.82
#1 Export Sows (+500lbs) \$49.50cwt	
B of C Ex. Rate (Noon) \$1.0226CAD / \$0.9779US	
Cash Prices: Week Ending November 18th, 2011	
68.71/151.48 Signature #3	
70.33/155.06 Signature #4	
68.04/150.00 h@ms Cash	
n/a Hylife	
ISO Weans \$24-59US	
Feeder Pigs \$43-59.50US	

Forward contract prices opened lower this morning. U.S. cash markets were lower all week, with demand for pork trailing off after orders for the biggest holiday of the year have been met. Packers have effectively managed the transition in pork demand and supply over the last two months, allowing for a consistent margin between the carcass cut-out and live hog cost. Lean Hog futures surged higher in yesterday's trade as some speculators were willing to bet that the cash market has effectively bottomed for the near term. December and February futures contracts are now trading at a sizable premium to the cash market, providing a great opportunity for producers to hedge early winter production at profitable prices. The Canadian Dollar is also priced favorably compared to recent weeks, trading up slightly from yesterday's trade at US\$0.975.

Canadian delivered soymeal prices opened lower this morning. Net weekly soybean sales were higher than expected at 751,200 tonnes. To meet the USDA forecast sales of 383,000 metric tonnes are needed each week. USDA forecast for the current 2011/2012 marketing year has cumulative sales currently at 55.1%, a little lower than the five year average of 59.8%.

Canadian delivered corn prices opened steady this morning. 125,000 tonnes of corn were purchased by South Korea last night. Below trade expectations are the corn Weekly export corn sales were below trade expectations at 208,900 tonnes. However, USDA forecast for the current 2011/2012 marketing year has cumulative sales currently at 53.0%, higher than the five year average of 40.9%.

	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		153.09	152.69	162.59	163.53	166.38	178.28	176.87	178.27	166.97
		153.09	161.17	165.41	164.94	175.35	181.59	183.48	179.21	177.79
(Maple Leaf Sig. #4)		154.72	153.89	161.18	161.18	163.86	173.74	177.13	175.18	167.34
		154.72	157.99	162.00	163.37	170.81	177.86	179.51	176.09	173.54
Soymeal Delivered	330	335	343	353	358	363	363	367	367	372
Corn Delivered	264	265	271	272						

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December 7th and 8th 2011 Keystone Centre Brandon, MB

150 exhibits - Two days of expert speakers
 Pork Quality Competition - Pork Sampling
 Attention Ladies: Best Bake and Make 2011

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