



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, November 28, 2011

Forward contract prices opened mixed this morning. U.S. packers are expected to start the week with higher bids, adding to the gains seen over most of last week. However, abundant hog supplies could result in weaker bids by the end of the week as producers catch up on their marketings and make it easy for packers to meet their demand. Last week's holiday hog slaughter was reduced by about 300,000, down approximately 12% from the previous week. 2012 Lean Hog futures are expected to see bullish influence from the latest USDA report on chicken production which shows the current flock at its smallest since the mid-1990's. The Canadian Dollar is up sharply from trade on Friday when the Loonie approached its lowest level against the U.S. Dollar in two months due to higher bond yields for some of Europe's largest economies.

Canadian delivered soymeal prices opened higher this morning. Weekly soybean export sales of 921,600 metric tonnes were noted Friday, well above trade expectations. The net purchaser of beans last week was China. Soybean sales are at 57.7% of the 2011/12 USDA forecast, 4.4% lower than the 5 year average.

Canadian delivered corn prices opened higher this morning. Corn sales are at 53.8% of the 2011/12 USDA forecast 10.8% higher than the 5 year average of 43.0%. To meet the USDA forecasts, sales of 455,000 metric tonnes per week are required. Last weeks the net export corn sales came in at 350,000 metric tonnes, well below the amount needed to meet forecasts.

US Slaughter	
2.07 Mill – Last Week's	
2.06 Mill – Last Week's (year ago)	
Western Corn Belt	\$82.49
Daily National Price	\$83.82
Daily Sig3(M.Leaf)	\$158.57
Daily Sig4(M.Leaf)	\$156.03
4-Month Fwd Avg	\$164.22
#1 Export Sows (+500lbs)	\$50.50cwt
B of C Ex. Rate (Noon)	
\$1.0487CAD / \$0.9536US	
Cash Prices: Week Ending November 25th, 2011	
69.95/154.22 Signature #3	
70.14/154.64 Signature #4	
68.95/152.00 h@ms Cash	
68.60/151.24 Hylife	
ISO Weans	\$36-53US
Feeder Pigs	\$48.50-62.50US

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		155.87	165.02	165.96	168.65	179.88	178.45	180.01	163.47	159.68
		164.39	168.65	167.39	177.66	183.20	185.09	180.96	179.88	159.68
(Maple Leaf Sig. #4)		156.99	163.56	163.56	166.07	175.29	178.69	176.89	164.82	158.94
		161.12	165.15	165.76	173.05	179.42	181.07	177.80	175.56	159.86
Soymeal Delivered	328	332	337	341	353	353	358	358	365	365
Corn Delivered	257	260	265							

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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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