



# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit  
<http://hamsmarketing.ca>

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

Thursday, December 01, 2011

**Forward contract prices opened mixed this morning.** U.S. cash markets surged higher yesterday, with most regions gaining over \$1.50/cwt. At the same time, the pork cut-out weakened by more than \$2.00/cwt, shrinking packer operating margins by close to \$7.00 per hog. This sharp adjustment may force some packers to cut back on their slaughter schedule as this recent move will push many into negative margins. Lean Hog futures however, are cautious to match the gains in the cash market, as traders are looking for support from meat prices before adjusting the December contract higher. The Canadian Dollar continues to appreciate after a three day run higher following good economic growth and independent reports of strong employment growth.

**Canadian delivered soymeal prices opened lower this morning.** Concerns that international buyers are looking to Brazil to import soybeans fuelled U.S. soybean export worries, as they are looking sluggish and Brazil has ample supplies available. That aside, Taiwan purchased 12,000 tonnes of U.S. soybeans and Egypt bought 6,000 tonnes of soybean oil.

**Canadian delivered corn prices opened higher this morning.** Ethanol production is up 1.4% from last week, averaging 930,000 barrels/day, week ending Nov 25<sup>th</sup>. The record for ethanol production is 6.573 million barrels per day. Last week's production came close at 6.51 million barrels/day. Last week's production utilized 99.07 million bushels of corn.

US Slaughter	
429,000	– Wednesday's
428,000	– Wednesday's (year ago)
Western Corn Belt	\$85.56
Daily National Price	\$85.43
Daily Sig3(M.Leaf)	\$159.92
Daily Sig4(M.Leaf)	\$154.62
4-Month Fwd Avg	\$159.48
#1 Export Sows (+500lbs)	\$49.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0197CAD / \$0.9807US	
<b>Cash Prices: Week Ending November 25th, 2011</b>	
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)		151.27	160.00	160.93	163.83	176.27	174.87	177.69	160.88	157.12
		159.66	163.86	162.33	172.72	179.55	181.42	178.63	177.22	157.12
(Maple Leaf Sig. #4)		152.45	158.64	158.64	161.36	171.78	175.14	174.62	162.25	156.43
		156.51	160.48	160.81	168.25	175.86	177.49	175.53	172.98	157.34
Soymeal Delivered	331	334	339	341	349	355	359	359	368	374
Corn Delivered	257	260	265							

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized



YOUR SOURCE FOR  
 ~ Feed Grains ~  
 ~ Soybean Feed Oil ~  
 204-331-3696

