

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, December 06, 2011

Forward contract prices opened lower this morning.

Packers started the week attempting to manage their operating margins by dropping cash bids by \$0.50 - \$1.00 per cwt. A drop in wholesale meat prices last week precipitated the bearish trend in the cash market due to estimated packer margins dropping to near breakeven levels. The cash market weakness in turn sent the December and February Lean Hog futures lower, now down over \$4.00 in the last three days of trading. Technical indicators showing an emerging bearish trend have also contributed to the weakness seen in trade yesterday. The Canadian Dollar also contributed to the recent drop in forward prices, as the loonie has been supported by investor optimism that the EU will work through its current debt crisis. Impacting the Canadian Dollar today is the scheduled interest rate decision by the Bank of Canada which was held at 1%.

Canadian delivered soymeal prices opened mixed this morning.

Soybean weekly export inspections are at 31.6 million bushels, 8.8 million above USDA weekly projections. Shipments for the year are 4.9% lower than the five year average; cumulative shipments are at 32.3% for the year totalling 428.3 million bushels.

Canadian delivered corn prices opened steady this morning.

Corn's weekly export inspections are at 38.5 million bushels, 4.1 million bushels higher than anticipated in the USDA weekly projections. Cumulative shipments are below the five year average, but sitting at a healthy 32.3% of the marketing year.

US Slaughter	
431,000 – Monday's	
423,000 – Monday's (year ago)	
Western Corn Belt	\$83.60
Daily National Price	\$85.97
Daily Sig3(M.Leaf)	\$155.40
Daily Sig4(M.Leaf)	\$154.75
4-Month Fwd Avg	\$155.87
#1 Export Sows (+500lbs) \$47.50cwt	
B of C Ex. Rate (Noon) \$1.0141CAD / \$0.9861US	
Cash Prices: Week Ending December 2nd, 2011	
71.84/158.37 Signature #3	
70.53/155.49 Signature #4	
70.31/155.00 h@ms Cash	
69.39/152.97 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)		146.55	155.47	156.40	158.95	171.98	170.58	173.58	158.19	154.45
		153.99	158.17	157.80	167.79	175.23	177.09	174.52	173.30	154.45
(Maple Leaf Sig. #4)		148.76	154.24	154.24	156.63	167.62	170.95	170.62	159.60	153.81
		151.01	154.96	156.40	163.47	171.67	173.29	171.53	169.18	154.72
Soymeal Delivered	321	323	330	332	341	346	351	351	360	366
Corn Delivered	267	267	273							

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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

www.hogdays.ca

rhonda.coupland@gov.mbr.ca