



# Hog Margin Outlook

Meeting Your Marketing Needs

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

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

Friday, December 09, 2011

**Forward contract prices opened mixed this morning.** U.S. cash markets had a mixed week, with no discernible trend in packer bids. The combination of hog supplies and weights have overall production up from year ago levels, which has moderated the seasonal increase in hog prices for this time of year. Adding to the uncertainty of both the cash and futures markets is the increased reliance on export markets. Export demand is the primary factor that has current prices more than 20% higher than year ago levels. Futures traders are apprehensive about projecting continued growth in exports, which is why 2012 Lean Hog futures are trading at a smaller than average premium to the current cash market. The Canadian Dollar is finding strength today as measures taken by Europe's leaders attending a summit in Brussels are viewed as positive and will help control that region's debt crisis.

**Canadian delivered soymeal prices opened lower this morning.** The WASDE report came out this morning. The Supply/Demand Report had inventory estimates higher, up 18% from November's estimates to 230 million bushels. Some of the changes were due to less than optimal exports and heightened competition from South America.

**Canadian delivered corn prices opened lower this morning.** Corn prices are lower as the WASDE report, increasing U.S. and world supply expectations, in combination with unchanged demand projections. USDA increased China's corn supplies, 5.25 million tons, adding to the negative tone. World ending stocks for corn were raised 5.6 million metric tons to 127.2.

US Slaughter	
429,000 – Thursday's	
424,000 – Thursday's (year ago)	
Western Corn Belt	\$83.87
Daily National Price	\$86.29
Daily Sig3(M.Leaf)	\$154.83
Daily Sig4(M.Leaf)	\$156.12
4-Month Fwd Avg	\$155.73
#1 Export Sows (+500lbs)	\$47.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0193CAD / \$0.9811US	
<b>Cash Prices: Week Ending December 9th, 2011</b>	
70.43/155.27	Signature #3
70.42/155.24	Signature #4
69.40/153.00	h@ms Cash
n/a	Hylife
ISO Weans	\$34-47.50US
Feeder Pigs	\$50-66.50US

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		146.99	154.93	155.87	158.38	170.13	168.72	172.33	157.43	153.68
		154.50	158.73	157.28	167.31	173.42	175.30	173.26	172.08	153.68
(Maple Leaf Sig. #4)		149.25	153.76	153.76	156.10	165.84	169.21	169.42	158.89	153.08
		151.52	155.52	155.94	163.02	169.94	171.58	170.32	168.00	153.99
Soymeal Delivered	322	325	332	334	342	348	352	352	359	366
Corn Delivered	259	261	265							

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.



## Rothsay Animal Vegetable Feed Fat

\$860 tonne ↓ (2 – 19 mt)

To place your order call 1-866-768-4729

