

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

<b>US Slaughter</b>	
422,000	— Tuesday's
429,000	— Tuesday's (year ago)
Western Corn Belt	\$79.04
Daily National Price	\$84.68
Daily Sig3(M.Leaf)	\$149.01
Daily Sig4(M.Leaf)	\$154.60
4-Month Fwd Avg	\$153.93
#1 Export Sows (+500lbs)	\$46.00cwt
<b>B of C Ex. Rate (Noon)</b> \$1.0285CAD / \$.9723US	
<b>Cash Prices: Week Ending December 16th, 2011</b>	
70.21/154.78	Signature #3
71.26/157.11	Signature #4
68.95/152.00	h@ms Cash
69.70/153.66	Hylife
ISO Weans	\$34-47.50US
Feeder Pigs	\$50-66.50US

# Hog Margin Outlook

*Meeting Your Marketing Needs*

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**Wednesday, December 21, 2011**

**Forward contract prices opened lower this morning.** U.S. cash markets continued lower this morning, pressed by abundant hog supplies at a time when the slaughter schedule temporarily shrinks to accommodate the statutory holidays. Packers are also very hesitant to build any inventory over and above the sales that are currently on the books, as they believe their hog cost could be higher than what the pork sales will support. Packer bids may drop an additional \$5.00/cwt before the end of the year, putting additional pressure on the nearby futures contracts. Summer month Lean Hog futures are down close to 8% from their highs less than one month ago, with supply and demand related factors contributing to the weaker trend. The Canadian Dollar has been supported by ideas of a strong economy evidenced by higher crude oil and firm retail sales. The latest news from Europe has also made a marginal improvement to investor sentiment, with the announcement of that region's central bank injecting 500 billion Euros into its banks.

**Canadian delivered soymeal prices opened lower this morning.** Good news for the competing South American crops is the improved projected rain outlook; this could take some gains away from U.S. soybeans. The General Administration of Customs in China indicated November soybean imports increased 50% to 5.7 million metric tons, an increase of 4% from last year.

**Canadian delivered corn prices opened lower this morning.** South America is forecast for weather relief with rains coming in. This is ideal and reduces dryness concerns for corn pollination. U.S. corn has been consistent in its bearish trend, the competing South American crops are seen as strong.

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)			149.96 152.32	150.97 152.38	153.53 162.50	166.51 169.82	165.09 171.71	169.53 170.48	156.34 169.91	152.54 152.54	150.69 153.06
(Maple Leaf Sig. #4)			149.88 150.43	150.12 152.49	152.33 159.29	163.26 167.56	166.82 169.20	167.84 168.76	158.84 167.02	148.91 153.87	150.98 153.00
Soymeal Delivered	344	346	348	351	359	364	369	369	378	379	
Corn Delivered	258	260	264								

*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**

**\$815 tonne ↓ (2 – 19 mt)**

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

