



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, December 30, 2011

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

US Slaughter	
431,000 – Thursday's	
419,000 – Thursday's (year ago)	
Western Corn Belt	\$77.95
Daily National Price	\$82.13
Daily Sig3(M.Leaf)	\$145.88
Daily Sig4(M.Leaf)	\$148.84
4-Month Fwd Avg	\$156.52
#1 Export Sows (+500lbs) \$45.00cwt	
B of C Ex. Rate (Noon)	
\$1.0210CAD / \$.9794US	
Cash Prices: Week Ending December 30th, 2011	
66.47/146.54	Signature #3
68.02/149.95	Signature #4
65.32/144.00	h@ms Cash
66.33/146.23	Hylife
ISO Weans \$35-59.60US	
Feeder Pigs \$53-72.00US	

Forward contract prices opened mixed this morning. U.S. cash prices traded higher yesterday as producer deliveries were not keeping up with packer demand. The hog supply available to packers over the holiday period exceeds the reduced slaughter capacity, however the willingness of producers to deliver consistently through this time frame can be a factor in what packers are willing to pay. Lean Hog futures were lower in trade yesterday, with the likely culprit of large speculators exiting some of their long positions in advance of their year end. The Canadian Dollar looks to be finishing the year at US\$0.98, at the lower end of its 2011 trading range and more than 2 cents lower than year ago levels. Please note that the Risk Management Department will be closed on Monday, January 2, 2012. Happy New Year!

Canadian delivered soymeal prices opened higher this morning. Supporting soymeal prices is the drier weather in South America and the weaker U.S. dollar. Argentina indicates that soybean plantings are near 81% complete for the 18.85 million hectares expected. Deliveries for January were 252 soybean contracts, under the expected 300-500 mark, 33 meal contracts, less than the 100-300 expected and 2,780 contracts for oil are within the expected range of 2,000-3,000.

Canadian delivered corn prices opened higher this morning. The week ending Dec 23rd had ethanol production averaging 963,000 barrels per day, up 2% from the week prior and up 5.4% from last year. 102.47 million bushels of corn were used in last week's production. Ethanol plants in Iowa had negative profit margins for the first time since June, which may reduce production in the coming weeks.

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)			150.38	152.34	155.04	168.81	167.41	170.77	157.09	153.34	152.18
(Maple Leaf Sig. #4)			152.72	153.74	163.94	172.09	173.96	171.71	171.58	153.34	154.54
Soymeal Delivered	363	360	363	365	369	372	378	381	388	390	
Corn Delivered		270	273	277							

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)



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