

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

US Slaughter	
425,000 – Wednesday's	
415,000 – Wednesday's (year ago)	
Western Corn Belt	\$83.38
Daily National Price	\$84.03
Daily Sig3(M.Leaf)	\$155.77
Daily Sig4(M.Leaf)	\$152.02
4-Month Fwd Avg	\$158.30
#1 Export Sows (+500lbs) \$47.25cwt	
B of C Ex. Rate (Noon) \$1.0192CAD / \$.09812US	
Cash Prices: Week Ending January 6th, 2012	
67.83/149.53	Signature #3
67.08/147.89	Signature #4
66.23/146.00	h@ms Cash
65.67/144.77	Hylife
ISO Weans \$46-68US	
Feeder Pigs \$62-75US	

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, January 12, 2012

Forward contract prices opened mixed this morning. U.S. cash markets saw support in trade yesterday, but have experienced no consistent trend this week as some packers have started to cut back on their slaughter schedule. Operating margins are poor, forcing some packers to slow production in order to minimize the impact of poor profitability. The near term outlook for pork product values appears bearish, with the ham primal value dropping to the lowest level in a year, while the other "high value" cuts have seen limited strength in the last 2 weeks. Nearby Lean Hog futures have been in a bearish trend for much of the last month as traders identified the higher than expected production and are suspicious of the ability for the U.S. to maintain export sales volumes to China. The Canadian Dollar has found some support this morning, with indications that global traders have some renewed faith in the Euro zone.

Canadian delivered soymeal prices opened lower this morning. Soybean production was revised in the WASDE Report released today, increasing it by 10 million bushels to 3,056 million bushels. Ending soybean stocks were revised by 45 million bushels to the new 2011/12 Jan projection of 275 million bushels. Soybean oil was also revised up; soybean meal projection stays the same at 300 thousand short tons. Brazil and Argentina ending stocks were both decreased by 0.53 and 1.54 million metric tons, respectively.

Canadian delivered corn prices opened lower this morning. Corn production has been increased by the WASDE Report, by 48 million bushels to 12,358 million bushels. Ending stocks have decreased by 2 million bushels to 846.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		147.64	147.59	151.17	167.16	165.76	170.31	161.80	155.94	149.14
		147.64	149.93	160.08	170.45	172.32	171.25	171.66	157.34	156.19
(Maple Leaf Sig. #4)		147.77	148.26	149.84	163.60	166.87	168.01	162.68	156.10	147.88
		147.77	150.08	157.28	167.78	170.14	168.92	168.87	160.46	155.17
Soymeal Delivered	367	367	367	379	379	386	386	392		
Corn Delivered	256	258	261							

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
\$835 tonne ↓ (2 – 19 mt)

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