



# Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, January 30, 2012

**Forward contract prices opened lower this morning.** U.S. cash markets are expected to trade steady to lower this week, as packers are cutting production, but not as fast as hog supply is shrinking. Packer bids declined sharply on Friday, with most reporting regions dropping close to \$4.00/cwt. In spite of this, packers continue to lose money on meat sales as the pork cut-out is lower than what they are paying for live hogs. Nearby Lean Hog futures are in a sideways trend, staying within a \$3.00/cwt trading range over the last 2 months. Summer month contracts have found more support and have resulted in forward contract prices that exceed the cash prices that were seen last summer. The Canadian Dollar is down close to 50 basis points with concerns over Greece's debt contributing to strong demand for the U.S. Dollar.

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

<b>US Slaughter</b>	
2.17 Mill – Last Week's	
2.18 Mill – Last Week's (year ago)	
Western Corn Belt	\$85.09
Daily National Price	\$87.36
Daily Sig3(M.Leaf)	\$156.17
Daily Sig4(M.Leaf)	\$155.27
4-Month Fwd Avg	\$160.27
#1 Export Sows (+500lbs)	\$46.75cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0013CAD / \$0.9987US	
<b>Cash Prices: Week Ending January 27th, 2012</b>	
72.05/158.84	Signature #3
69.91/154.12	Signature #4
70.31/155.00	h@ms Cash
68.96/152.02	Hylife
ISO Weans	\$50-69US
Feeder Pigs	\$64.50-74.50US

2012 Annual District Meetings			
Saskatchewan	Date	Time	Location
Swift Current	Tue, Feb 28	Noon	Wong's Kitchen; 320 S Service Road East, Swift Current
Saskatoon	Wed, Feb 29	Noon	Sandman Hotel; 310 Circle Drive West, Saskatoon
Manitoba	Date	Time	Location
Southeast District - Steinbach	Fri, Mar 2	Noon	Smitty's Restaurant; Clear Spring Mall, Steinbach
Heartland Marketing District - Starbuck	Mon, Mar 5	1:30 PM	Starbuck Community Hall; 25 Main Street, Starbuck
Southwest District - Somerset	Wed, Mar 7	1:30 PM	Somerset Community Hall; 201 1st Street, Somerset
Northwest District - Neepawa	Wed, Mar 7	7:00 PM	Royal Canadian Legion #23; 423 Brown Avenue, Neepawa
H.B. Marketing District - Portage la Prairie	Thurs, Mar 8	2:00 PM	The Glesby Centre; 11 2nd Street, NE, Portage la Prairie
Interlake East District - Oak Hammock Marsh	Fri, Mar 9	1:30 PM	Oak Hammock Marsh; Snowgoose Bay at Highway 220
South Central District - Morris	Wed, Mar 14	1:30 PM	Morris Big M Centre; Stampede Grounds, Morris

**Canadian delivered soymeal prices opened lower this morning.** Soybean crops in South America have favourable weather systems forecasted. USDA will release its weekly export inspections report today at 11 a.m. EST.

**Canadian delivered corn prices opened lower this morning.** U.S. dollar is firm, making U.S. corn more expensive for others to import. Showers in Argentina should ease any crop stress, especially the late corn crops.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)			147.89	150.95	168.98	167.59	172.54	163.59	157.72	150.37	140.24
(Maple Leaf Sig. #4)			149.73	159.73	172.21	174.06	173.47	173.32	159.11	157.30	145.32
Soymeal Delivered	352	352	358	366	366	374	374	380			
Corn Delivered	264	266	270								

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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