



# Hog Margin Outlook

Meeting Your Marketing Needs

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

US Slaughter	
422,000 – Tuesday's	
424,000 – Tuesday's (year ago)	
Western Corn Belt	\$85.74
Daily National Price	\$87.03
Daily Sig3(M.Leaf)	\$156.45
Daily Sig4(M.Leaf)	\$153.78
4-Month Fwd Avg	\$165.13
#1 Export Sows (+500lbs) \$46.50cwt	
B of C Ex. Rate (Noon) \$0.9955 CAD / \$1.0045 US	
<b>Cash Prices: Week Ending February 18th, 2012</b>	
70.62/155.68	Signature #3
70.13/154.61	Signature #4
69.59/153.41	h@ms Cash
68.87/151.82	Hylife
ISO Weans	\$50-66US
Feeder Pigs	\$62-85US

Wednesday, February 22, 2012

**Forward contract prices opened mixed this morning.** U.S. packers competing for supplies have bid up some cash markets, resulting in a further erosion in their operating margins. After a brief increase in the pork cut-out, pork prices have once again settled into a weaker trend that threatens to take cash markets below year ago levels for the first time in months. Bullish influence from export markets appear to have waned since last month as orders from China have slowed significantly. Lean Hog futures for the late summer timeframe are trading at contract highs, providing a good opportunity to secure profitability while there is still significant uncertainty related to export demand. Yesterday, the Canadian Dollar reacted positively to news that Greece secured another bailout package from the rest of Europe. However, the Loonie is down this morning about 40 basis points, just under the parity with the U.S. Dollar.

**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

See Website for full District Meeting Schedule

**Canadian delivered soymeal prices opened higher this morning.** Soybean sales are strong; the weekly export inspections came in well above the expected 15.6 million bushels, with 38.4 million bushels sold last week. China also purchased 250,000 tonnes. Brazil is expected to get rain this week; however it may not be enough to offset the stress of the 100 degree temperatures.

**Canadian delivered corn prices opened lower this morning.** Corn sales are steady: the weekly export inspections highlighted 3.8 million bushels above the expected 30.9 million bushels for corn sales. Ethanol margins are weakening, which may reduce demand on the old crop supply conserving some corn into the new crop season.

	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		154.00	155.68	171.50	171.04	176.66	167.91	162.33	155.94	145.64	147.49
		154.46	165.80	175.64	177.48	177.58	177.58	162.79	162.87	150.72	151.65
(Maple Leaf Sig. #4)		152.41	153.79	168.12	171.33	173.57	167.95	161.65	153.87	145.69	145.69
		154.55	162.34	172.22	174.54	174.46	174.01	165.84	161.03	150.88	150.88
Soymeal Delivered	371	376	376	381	381	389	389				
Corn Delivered	269	269	271	276							

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**Rothsay Animal Vegetable Feed Fat**  
 \$840 tonne ↓ (2 – 19 mt)

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