



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, February 27, 2012

Forward contract prices opened mixed this morning. U.S. cash markets finished last week lower, as packers have experienced no appreciation in pork prices, resulting in continued poor operating margins. Last week's slaughter is estimated at 2.12 million hogs, slightly lower than was anticipated for this timeframe. Analysts have suggested that we could find a "hole" in marketings shortly as growing conditions were near ideal for much of North America this winter. June and July Lean Hog futures are trading about 5% – 6% higher than where those contracts expired at last year. This reflects good value in the context of today's market factors as there is uncertainty with regard to this year's export sales, and we anticipate a slight increase in the hog supply. The Canadian Dollar is trading lower this morning as traders focus their attention on the global economy and the impact of high oil prices on growth.

US Slaughter	
2.12 Mill – Last Week's	
2.11 Mill – Last Week's (year ago)	
Western Corn Belt	\$83.73
Daily National Price	\$84.60
Daily Sig3(M.Leaf)	\$153.29
Daily Sig4(M.Leaf)	\$149.98
4-Month Fwd Avg	\$164.43
#1 Export Sows (+500lbs) \$46.50cwt	
B of C Ex. Rate (Noon) \$0.9988CAD / \$1.0012US	
Cash Prices: Week Ending February 24th, 2012	
71.07/156.68	Signature #3
69.97/154.26	Signature #4
69.89/154.07	h@ms Cash
74.97/151.80	Hylife
ISO Weans	\$46.50-64.50US
Feeder Pigs	\$80-95US

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 higher this morning. Brazil's forecast is for weekend rains and a slightly wetter outlook, however at this point the yield damage may already have been done. Global soybean output has been lowered by ~4% by the International Grains Council, as the dry hot weather in South America has been severe.

Canadian delivered corn prices opened lower this morning. This year's corn crop is expected to be larger than last year's; this news eases the tight supplies sentiment. Adding to this news is today's stronger U.S. dollar, which makes U.S. commodities more expensive for others to import. Weekly corn export sales came in lower than expected at 840,800 metric tonnes for last week.

	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		152.22	153.42	169.69	169.23	174.76	165.46	159.28	152.63	142.34	144.18
		152.22	163.53	173.82	175.66	175.68	175.13	159.74	159.56	147.41	148.33
(Maple Leaf Sig. #4)		150.25	151.59	166.37	169.57	171.73	165.57	158.70	150.67	142.48	142.48
		152.38	160.13	170.46	172.77	172.62	171.64	162.90	157.81	147.66	147.66
Soymeal Delivered	376	376	381	381	387	387	395				
Corn Delivered	265	265	271	276							

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