



Hog Margin Outlook

Meeting Your Marketing Needs

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

US Slaughter	
418,000	– Thursday's
416,000	– Thursday's (year ago)
Western Corn Belt	\$80.70
Daily National Price	\$83.51
Daily Sig3(M.Leaf)	\$146.84
Daily Sig4(M.Leaf)	\$147.14
4-Month Fwd Avg	\$152.15
#1 Export Sows (+500lbs)	\$44.00cwt
B of C Ex. Rate (Noon)	
\$0.9927CAD / \$1.0074US	
Cash Prices: Week Ending	
April 20th, 2012	
66.38/146.35	Signature #3
66.54/146.70	Signature #4
65.52/144.44	h@ms Cash
n/a	Hylife
ISO Weans \$28-32US	
Feeder Pigs \$62-74US	

Friday, April 20, 2012

Forward contract prices opened lower this morning. U.S. cash markets were slightly lower in trade yesterday and are expected to continue along that vein again today. Wholesale pork prices appreciated slightly, but have a long way to go before operating margins return to profitable territory. The primal cut that has contributed most negatively to the pork cut-out is pork bellies, which are trading at less than \$90/cwt, more than \$50/cwt lower than at this time last year. Recall that last year at this time South Korea ramped up its pork purchases to deal with its outbreak of Foot-and-Mouth Disease, and these orders consisted largely of pork bellies. China also contributed heavily to last year's markets, but a recent report had China experiencing a decline in domestic pork prices, stretching for eleven consecutive weeks.

Canadian delivered soymeal prices opened higher this morning. Given the strong soybean prices some acreage still may get switched to beans from corn. U.S. supplies are filling in for the reduced South American crop. The strong weekly export sales to China are proof of the impact as they would normally be purchasing South American beans at this time.

Canadian delivered corn prices opened higher this morning. Corn is seeing price support from speculation of large purchases from China, along with a reduced production estimate from Argentina. A factor that will limit any price rallies due to increased export demand is the expectation of a large U.S. crop following the encouraging weather seen recently.

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		152.47	148.38	154.32	146.89	145.43	139.05	131.43	133.26
(Maple Leaf Sig. #4)		152.92	154.74	155.23	156.45	145.89	145.91	136.46	137.37
		150.73	150.90	153.50	148.95	145.77	138.02	132.41	132.41
		151.78	154.07	154.38	155.12	150.27	145.45	137.54	138.25
Soymeal Delivered	445	445	447	449	458	474			
Corn Delivered	272	272							

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 For more information contact: Amanda Krasey @ (204)235-2237