

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

# Hog Margin Outlook

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**Tuesday, April 24, 2012**

**Forward contract prices opened mixed this morning.** U.S. cash markets remain under pressure, as packer profitability is limiting the upside potential to cash bids. U.S. packers have struggled with negative fresh meat margins since the start of the year, and with exports slowing, are being forced to contend with this issue. While by-product values remain strong, these alone cannot sustain an industry where wholesale pork is valued less than the live animal. Lean hog futures were higher yesterday, but there are still few fundamentals that are supportive to the nearly \$8/cwt premium that the market has factored in to the May and June contracts. Traders continue to factor in an appreciation in cash prices that are in line with seasonal trends, while the factors at play are not typically seen at this time of year. The Canadian Dollar is trading closer to the high end of its 3 month trading range, with some traders speculating that interest rates may start to appreciate in Canada before the end of 2012.

**Canadian delivered soymeal prices opened higher this morning.** The Crop Progress report for soybeans showed as of April 22, 6% of the soybean acres are planted in the 18 U.S. states that plant 95% of last year's U.S. soybean crop. This is well ahead of the five year average of 2%.

**Canadian delivered corn prices opened higher this morning.** The Crop Progress report illustrated an increase of 11% in planted corn acres since last week. Planted corn acreage is now at 28% for the week ending April 22 in the 18 U.S. states that planted 92% of the corn acreage. The five year average is 15% for this same time frame.

<b>US Slaughter</b>	
413,000	— Monday's
273,000	— Monday's (year ago)
Western Corn Belt	\$80.55
Daily National Price	\$83.34
Daily Sig3(M.Leaf)	\$146.70
Daily Sig4(M.Leaf)	\$146.98
4-Month Fwd Avg	\$150.82
#1 Export Sows (+500lbs)	\$44.00cwt
<b>B of C Ex. Rate (Noon)</b> \$0.9936CAD / \$1.0064US	
<b>Cash Prices: Week Ending April 20th, 2012</b>	
66.38/146.35	Signature #3
66.54/146.70	Signature #4
65.52/144.44	h@ms Cash
64.96/143.22	Hylife
ISO Weans \$28-34.50US	
Feeder Pigs \$57-72US	

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward			147.66	153.24	146.10	145.24	139.17	131.77	133.60
Range (Maple			154.01	154.15	155.64	145.70	146.03	136.80	137.71
Leaf Sig. #3)									
(Maple Leaf Sig.			150.20	152.44	148.17	145.58	138.13	132.73	132.73
#4)			153.36	153.32	154.33	150.07	145.57	137.87	138.57
Soymeal									
Delivered	457	457	459	462	470	487			
Corn Delivered	272	272							

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