

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, April 25, 2012

Forward contract prices opened higher this morning. U.S. cash markets traded over a \$1.00/cwt higher yesterday, resulting in higher packer margin losses. Wholesale pork prices, as measured by the pork cut-out increased only slightly, resulting in negative margins of close to \$10.00/hog. Lean Hog futures saw only minor influence from yesterday's announcement of the discovery of a new case of BSE in a Californian dairy cow. On the other hand live Cattle futures dropped the daily limit, only to recover some of that value in overnight trade. This is the 4th case of BSE found in the US, and is not expected to have significant long term market implications. Lean Hog futures are trading higher this morning, buoyed by the firmer cash market, but limited by the modest gains in the pork cut-out. The Canadian Dollar is trading on the upper edge of its 3 month trading range, threatening to breakout higher which could lead to further upside in the Loonie.

Canadian delivered soymeal prices opened higher this morning. Potential frost damage in Argentina is providing soybean price support. Losses due to the frost won't be known for a few days. The Philippines recently purchased 80,000 tonnes of U.S. soymeal as purchase they normally would have made from South America.

Canadian delivered corn prices opened higher this morning. Colder and wetter weather forecasts for the U.S. Midwest are bearish, as this may slow plantings and crop emergence. Private exports were reported yesterday as a corn sale of 262,500 metric tons to China and a large sale of 420,000 metric tons to an Unknown Destination, which traders believe also to be China.

US Slaughter	
415,000	— Tuesday's
414,000	— Tuesday's (year ago)
Western Corn Belt	\$81.87
Daily National Price	\$83.12
Daily Sig3(M.Leaf)	\$148.31
Daily Sig4(M.Leaf)	\$145.80
4-Month Fwd Avg	\$150.19
#1 Export Sows (+500lbs)	\$44.00cwt
B of C Ex. Rate (Noon)	
\$0.9883CAD / \$1.0118US	
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
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			146.45	153.29	145.59	144.56	138.18	131.22	133.03
Range (Maple			152.78	154.20	155.10	145.01	144.99	136.21	137.12
Leaf Sig. #3)			149.00	152.48	147.65	144.90	137.15	132.17	132.17
(Maple Leaf Sig.			152.15	153.35	153.79	149.37	144.54	137.27	137.98
#4)									
Soymeal	466	466	470	472	475	478			
Delivered									
Corn Delivered	272	272							

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