



# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit  
<http://hamsmarketing.ca>

Friday, May 11, 2012

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

US Slaughter	
416,000	– Thursday's
403,000	– Thursday's (year ago)
Western Corn Belt	\$76.50
Daily National Price	\$80.65
Daily Sig3(M.Leaf)	\$140.46
Daily Sig4(M.Leaf)	\$143.40
4-Month Fwd Avg	\$147.05
#1 Export Sows (+500lbs)	\$43.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0017CAD / \$0.9983US	
<b>Cash Prices: Week Ending May 11th, 2012</b>	
63.64/140.31	Signature #3
65.12/143.56	Signature #4
63.10/139.12	h@ms Cash
62.83/138.52	Hylife
ISO Weans \$17-36US	
Feeder Pigs \$50-60US	

**Forward contract prices opened higher this morning.** U.S. cash markets are finishing the week lower, as production remains larger than expected while demand appears to be under pressure. U.S. pork production has been running more than 3% higher than year ago levels, well above what was projected for this timeframe. The increase comes from both larger hog numbers and higher carcass weights, both of which are failing to see normal seasonal declines. The market is anticipating the pork export sales data for March which is expected to show further weakness from February. Supporting ideas of lower exports to China are reports that pork production in that country has increased by 4.4% over year ago levels, which has lead to a drop in prices of more than 15%. The Canadian Dollar is trading well below parity against the U.S. Dollar, after traders moved to less risky investments due to uncertainty related to Greece's election results.

**Canadian delivered soymeal prices opened lower this morning.** Forecasts of Soybean ending stocks for 2012/13 year are 20 million bushels below expectations, projected at 145 million bushels. World ending stocks appeared on par with expectations at 53.2 million tonnes. Weekly export sales are on the high side at 1.827 million tonnes.

**Canadian delivered corn prices opened lower this morning.** The USDA is projecting to harvest the largest corn crop on record this fall. It is projecting an increase of 6.1% in harvested acres and a 12.8% increase in expected yields, resulting in a forecasted production of 14.790 billion bushels of corn. This would be an increase of 20% or 2.432 billion bushels more than last year's production.

	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		143.66	148.82	141.50	141.81	135.28	127.94	129.78	129.82	136.76
(Maple Leaf Sig. #4)		150.05	149.74	151.11	142.27	142.17	132.99	133.91	135.37	139.07
Soymeal Delivered	477	477	479	483	485					
Corn Delivered	274	276								

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*

Do you want increased exposure to independent hog producers?  
**Access more than 400 producers by advertising in this space!**  
 For more information contact: Amanda Krasey @ (204)235-2237