



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, June 08, 2012

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

US Slaughter	
401,000 – Thursday's	
399,000 – Thursday's (year ago)	
Western Corn Belt	\$91.78
Daily National Price	\$88.38
Daily Sig3(M.Leaf)	\$172.34
Daily Sig4(M.Leaf)	\$160.71
4-Month Fwd Avg	\$160.59
#1 Export Sows (+500lbs)	\$43.75cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0244CAD / \$0.9762US	
<b>Cash Prices: Week Ending June 8th, 2012</b>	
76.37/168.37 Signature #3	
72.13/159.02 Signature #4	
74.40/164.03 h@ms Cash	
n/a Hylife	
ISO Weans \$21-35US	
Feeder Pigs \$44-53US	

**Forward contract prices opened mixed this morning.** U.S. cash markets moved higher yesterday, gaining close to \$1.50/cwt. despite the fact that wholesale pork prices moved in the opposite direction. Packers are competing fiercely for the available hog supply in order to meet tomorrows planned slaughter requirements. The upward trend is at risk of being sustained in the short term, as packers may cut bids in order to manage operating margins. Summer month Lean Hog futures are seeing some weakness this morning, but are still trading near their highest levels in two months. Traders believe that prices will remain relatively flat for the next two months, and then come under pressure from the increased hog supply typically seen in the fall. The Canadian Dollar experienced some weakness overnight as hopes of another monetary stimulus package were dashed according to recent comments by the Chairman of the U.S. Federal Reserve.

**Canadian delivered soymeal prices opened higher this morning.** Lack of moisture in Iowa, Missouri and Illinois was brought to light with the U.S. drought monitor identifying these as potential problem areas. Anticipated tighter ending stocks for soybeans and threatening weather are supporting soy prices.

**Canadian delivered corn prices opened lower this morning.** Corn prices will continue to see underlying price support from weather forecasts of mid 90 degree F in the Corn Belt area. Missouri and Illinois require rain to ease moisture stress of the corn crop in the early pollination period. It is anticipated that the WASDE report will show decreased corn production in China, Argentina and possibly the U.S. if the long term weather forecasts are accurate.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		169.29	158.83	155.05	148.66	140.08	141.98	142.36	149.50	144.93
(Maple Leaf Sig. #4)		170.24	168.78	156.02	155.79	145.30	146.25	148.07	152.35	149.69
Soymeal Delivered	519	521	524	527	475					
Corn Delivered	274	274								

*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**