



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, June 22, 2012

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

US Slaughter	
398,000 – Thursday's	
401,000 – Thursday's (year ago)	
Western Corn Belt	\$100.04
Daily National Price	\$100.11
Daily Sig3(M.Leaf)	\$187.98
Daily Sig4(M.Leaf)	\$182.16
4-Month Fwd Avg	\$156.14
#1 Export Sows (+500lbs) \$43.45cwt	
B of C Ex. Rate (Noon) \$1.0251CAD / \$0.9755US	
Cash Prices: Week Ending June 22th, 2012	
85.74/189.02 Signature #3	
79.98/176.32 Signature #4	
83.39/183.84 h@ms Cash	
n/a Hylife	
ISO Weans \$22-35US	
Feeder Pigs \$45-53US	

Forward contract prices opened mixed this morning. U.S. cash markets are trading higher to finish the week, with the past 7 days providing a 7% rally in cash bids. The hog supply has tightened significantly from month ago levels, and the common view is that the trade is drawing down stocks of pork in inventory. USDA will release the Cold Storage report this afternoon, but it may be a little misleading as the numbers will reflect what supplies were on May 31. We have pulled a significant amount of product out of the freezers for the last three weeks. Next week, the Quarterly Hogs and Pigs report will be released, which is expected to show some growth in the longer term compared to year ago levels. Ideas of heavier supplies and slower demand from export markets in the last half of this year have led to heavier selling in the fall and winter month futures recently. This has been an impediment to these months gaining value in line with the nearby contracts. However given the outlook, current forward contract prices for the 4th Quarter represent fair value.

Canadian delivered soymeal prices opened higher this morning. Soybean prices are cooling, as is the weather forecast, with light rain predicted for the next few weeks. Crop conditions are expected to decrease by 3% due to the dry trend that much of the corn belt has experienced.

Canadian delivered corn prices opened higher this morning. Corn prices will hold tight as high temperatures and dry conditions threaten yields. Tempering demand is discounted South American grain. Monday's crop progress report is anticipated to show lower numbers for corn with the negative trending weather pattern.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		170.95 171.90	156.24 166.14	149.79 150.26	142.90 149.99	134.91 140.11	136.80 141.05	137.62 143.29	144.71 147.54	140.97 145.69
(Maple Leaf Sig. #4)		169.02 170.48	157.87 164.27	150.53 155.19	142.22 150.09	136.32 141.62	136.32 142.35	138.76 141.32	143.88 145.62	143.37 145.20
Soymeal Delivered	508	508	516	519	496					
Corn Delivered	284	284								

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.



Follow us on twitter, get timely information on;
 Sow prices, weekly prices and market updates.