

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

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, June 26, 2012

Forward contract prices opened lower this morning. U.S. cash markets started the week lower, with buyers under pressure to get their operating margins back in positive territory. Cash prices paid by packers have been matching year ago levels for the last week, and a downturn in these values would be consistent with that trend. Hog numbers are at their tightest levels of the year, but buyers are having difficulty rationalizing the high prices. Lean Hog futures representing the remainder of 2012 dropped more than \$2.00/cwt yesterday, with traders abandoning the idea that cash prices would continue their rally. In addition, hog traders were being influenced by the weakness in cattle markets after grains spiked higher on weather concerns. The Canadian Dollar is trading near the US\$0.97 mark, with traders focused on the prospect of a slower global economy and its bearish impact on commodity prices.

Canadian delivered soymeal prices opened lower this morning. The soybean crops good to excellent rating has dropped by 3% to 53%. The drier areas of Illinois, Indiana and Michigan all had significant decreases in their ratings; 12%, 8%, 10%, respectively. With such a dramatic decline in crop conditions, prospective yields have no doubt been impacted.

Canadian delivered corn prices opened higher this morning. The Crop Progress report showed a large decline of 7% in the corn crops good to excellent rating last week, to 56%. The poor to very poor grouping has grown by 12%, to 36% in the last week. Good yields may still be salvaged, as there has been years where crop ratings are poor but actual yields were good, such as 1992, 2005 and 2008.

US Slaughter	
384,000— Monday's	
388,000 — Monday's (year ago)	
Western Corn Belt	\$99.98
Daily National Price	\$101.38
Daily Sig3(M.Leaf)	\$188.82
Daily Sig4(M.Leaf)	\$185.40
4-Month Fwd Avg	\$149.46
#1 Export Sows (+500lbs) \$43.35cwt	
B of C Ex. Rate (Noon) \$1.0303CAD / \$0.9706US	
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	
80.25/176.91 Hylife	
ISO Weans \$26-35US	
Feeder Pigs \$44-56US	

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		174.85	152.19 162.10	147.41 147.89	140.46 147.55	133.24 138.44	135.13 139.39	137.21 142.90	144.32 147.16	142.04 146.78	145.08 148.88
(Maple Leaf Sig. #4)		172.79	153.96 160.36	148.24 152.90	139.86 147.73	134.70 140.01	134.70 140.74	138.38 140.95	143.52 145.26	144.44 146.27	144.63 147.85
Soymeal Delivered	508	508	517	519	505						
Corn Deliv- ered	280	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.



Specializing in Concrete Building Systems
Barns, Shops, Schools, Churches, And MORE!
Financing is Available
Call Paul for a Free Estimate (204) 280-0887

