



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, July 25, 2012

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

US Slaughter	
402,000 – Tuesday's	
403,000 – Tuesday's (year ago)	
Western Corn Belt	\$93.70
Daily National Price	\$95.30
Daily Sig3(M.Leaf)	\$175.32
Daily Sig4(M.Leaf)	\$172.68
4-Month Fwd Avg	\$141.46
#1 Export Sows (+500lbs)	\$25.00cwt
B of C Ex. Rate (Noon)	
\$1.0208CAD / \$.9796US	
Cash Prices: Week Ending July 20th, 2012	
78.06/172.10	Signature #3
78.28/172.58	Signature #4
77.21/170.22	h@ms Cash
76.66/169.01	Hylife
80.11/176.60	Thunder Creek
ISO Weans \$3-8US	
Feeder Pigs \$15-18US	

Forward contract prices opened higher this morning. U.S. cash markets are trading lower this morning but still well within the range of bids over the last several weeks. Packers are having difficulty influencing producers to market their hogs as hot temperatures are slowing growth rates and impacting some producers' shipping schedules. Cooler weather over the weekend however may result in a larger weekend slaughter. Traders of Lean Hog futures have bid up the nearby contracts enough to erase the weakness seen earlier this week, with some months trading close to \$1.50/cwt. higher. The Canadian Dollar is trading slightly higher this morning after an official from the European Central Bank (ECB) suggested a plan to increase involvement in the current crisis. Forward contract prices for the winter months represent good value, given the likelihood that pork supplies will grow after more breeding stock are marketed and exports slow due to a reduction in sales to China.

Canadian delivered soymeal prices opened higher this morning. Soybeans may get some weather relief with rain systems showing up in the northern plains. The soybean crop continues to be stressed as topsoil moisture is inadequate for 60% of the U.S., leaving some plants stunted.

Canadian delivered corn prices opened higher this morning. The forecast for much of the central Midwest looks dry, but rain is expected in the northern sections, which contributed to the market trading lower yesterday. A major U.S. pork producer is reported to be importing corn from Brazil, shifting demand away from the U.S. corn crops. Different trade associations have been asking the EPA to consider reducing the Renewable Fuel Standard to take some pressure off corn prices by reducing the mandate for ethanol use in gasoline.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			145.59	138.80	130.56	132.43	135.47	144.86	146.45	149.59
(Maple Leaf Sig. #4)			146.06	145.83	135.71	136.65	143.45	147.67	151.15	162.76
			147.50	140.13	133.14	133.14	137.09	144.55	149.18	149.50
			152.12	147.11	138.40	139.13	142.00	146.27	151.00	160.62
Soymeal Delivered	631	631	610	585	576					
Corn Delivered	343	343								

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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