



# Hog Margin Outlook

Meeting Your Marketing Needs

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

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

Monday, August 20, 2012

**Forward contract prices opened mixed this morning.** U.S. cash markets are expected to trade lower this week as available hog supplies grow at a pace quicker than is typically seen at this time of year. Last week's estimated slaughter came in at 2.16 million hogs after a Saturday kill of close to 80,000 hogs. Growth rates have accelerated in recent weeks with cooler temperatures allowing for an increase of more than 6% over the previous week. The pork cut-out is expected to see weakness in response to the spike in production, unless export markets take up the excess supply. Currently hog prices are running about \$15/cwt under year ago levels, when China's influence on the market over took all other export destinations. Longer term, traders are trying to get a handle on the degree with which the breeding herd is being liquidated in response to the drought induced spike in feed prices. Summer 2013 forward prices could push over \$180/cwt in response expectations of a tighter supply.

**Canadian delivered soymeal prices opened higher this morning.** The popular Pro Farmer crop tour kicks off a week-long tour today, citing record attendance. Yield and condition reports are expected to be highly variable as they make their way through the Midwest. Currently traders are optimistic with an estimate of 36-38 bushels per acre (bpa), compared to the USDA's current forecast of 36.1 bpa.

**Canadian delivered corn prices opened higher this morning.** Corn yield are being reported lower than anticipated, with harvest underway in the southern portions of Cornbelt. Corn acres that have had yields projected to be zero by insurance adjusters are estimated at close to 83 million acres by private sources, this is lower than the current USDA's 87.4 million acres.

US Slaughter	
2.17 Mill – Last Week's	
2.05 Mill – Last Week's (year ago)	
Western Corn Belt	\$85.18
Daily National Price	\$91.38
Daily Sig3(M.Leaf)	\$154.34
Daily Sig4(M.Leaf)	\$160.33
Thunder Creek	\$153.98
4-Month Fwd Avg	\$130.11
#1 Export Sows (+500lbs)	\$26.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$0.9885CAD / \$1.0116US	
<b>Cash Prices: Week Ending August 17th, 2012</b>	
71.95/158.61	Signature #3
73.82/162.74	Signature #4
71.51/157.64	h@ms Cash
71.77/158.23	Hylife
74.66/164.60	Thunder Creek
ISO Weans	\$3.50-13.50US
Feeder Pigs	\$12-22US

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)			128.96 135.78	121.77 126.77	123.59 127.68	126.72 135.83	138.56 143.12	144.88 146.71	149.77 163.46	167.99 176.66	173.01 177.58
(Maple Leaf Sig. #4)			130.87 137.65	124.88 129.99	124.88 130.69	129.24 134.97	138.32 142.21	144.36 147.89	149.98 160.77	164.44 172.84	171.96 174.61
Soymeal Delivered	643	643	593	583	583						
Corn Delivered	320	336	304								

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.