



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, September 10, 2012

Forward contract prices opened mixed this morning. U.S. cash market bids fell to their lowest level for 2012 in trade last week, as the holiday shortened kill week resulted in packers having more supplies than they required to meet their schedules. The week's slaughter came in at an estimated 2.282 million hogs, with a huge Saturday kill of 336,000 offsetting the reduction caused by Labor Day. The large and abrupt change in the amount of pork hitting the market over the last month is the biggest contributor to the downturn in cash prices. While it may take several weeks to see a recovery from current prices, prices have dropped sufficiently to provide a base level of support that should spur new buying both in the domestic and export markets. Given the current state of the cash market, the winter month forward contracts represent good value given the premium that the February and April contracts hold over the cash market. The Canadian Dollar has appreciated to its highest level in over a year, supported by the prospect of a strengthening global economy.

Canadian delivered soymeal prices opened higher this morning. U.S. soybean harvest progress appears as though it will remain ahead of normal levels with a supportive forecast of warm and dry weather. South American soybean planting should start soon if the weather is amicable, though it appears to be seeing a drier trend. A better than average South American crop is needed to prevent a further run up in prices.

Canadian delivered corn prices opened higher this morning. U.S. corn harvest is progressing at a record pace; with tomorrow's progress report anticipated to show that it is 20% complete. Corn in South America will be getting planted soon, but soil moisture remains a concern as conditions are very dry and may cause delays to planting progress.

US Slaughter	
2.28 Mill – Last Week's	
2.02 Mill – Last Week's (year ago)	
Western Corn Belt	\$65.60
Daily National Price	\$76.07
Daily Sig3(M.Leaf)	\$117.58
Daily Sig4(M.Leaf)	\$132.02
Thunder Creek	\$117.47
4-Month Fwd Avg	\$124.15
#1 Export Sows (+500lbs)	\$29.00cwt
B of C Ex. Rate (Noon)	
\$0.9778CAD / \$1.0227US	
Cash Prices: Week Ending September 7th, 2012	
56.79/125.19	Signature #3
63.01/138.92	Signature #4
57.43/126.62	h@ms Cash
59.52/131.22	Hylife
61.28/135.10	Thunder Creek
ISO Weans	\$3.50-20US
Feeder Pigs	\$13-22US

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		119.65	115.11	116.90	119.53	131.22	138.45	143.45	163.63	168.60
		124.59	120.05	120.94	128.52	135.71	140.25	156.99	172.21	173.11
(Maple Leaf Sig. #4)		123.08	119.64	119.64	123.06	132.03	138.07	143.81	160.20	167.20
		128.03	124.68	125.37	128.72	135.86	141.56	154.47	168.51	170.26
Soymeal Delivered	607	591	592	592						
Corn Delivered	321	309								

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WINNIPEG LIVESTOCK
 HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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