



Hog Margin Outlook

Meeting Your Marketing Needs

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

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

Tuesday, September 18, 2012

Forward contract prices opened higher this morning.

U.S. cash markets are finding some support at current levels, as packers view current prices as an opportunity to build inventory at low cost. Last week's slaughter, estimated at 2.428 million hogs was the largest in several years, and can only be partially explained by producers pulling hogs ahead of schedule in an effort to minimize feed costs. The hog supply is significantly larger than what was forecast in the last Hogs and Pigs report that predicted numbers only about 1% higher than year ago levels. Needless to say, next week's release of the USDA Hogs and Pigs report is highly anticipated by the trade, in order to get a better handle on the current hog supply. Lean Hog futures continue to suggest that cash markets will rally approximately \$5.00/cwt. from current levels over the next 3 weeks, and hold steady at those levels until Christmas. The Canadian Dollar continues to hold near the high end of its recent trading range, adding to the pressure on hog prices.

Canadian delivered soymeal prices opened mixed this morning.

Areas of the U.S. Corn Belt have reported soybean yields that were better than expected, a contributing factor to the recent decline in prices. Additionally in Brazil the wetter forecast is adding to the positive market sentiment. The weekly crop update reported soybean harvest was 10% complete, with 57% of the crop dropping leaves.

Canadian delivered corn prices opened higher this morning.

Corn exports are sluggish at this point with foreign buyers searching for alternative feed stocks or suppliers. Brazil's corn prices are reported to be trading at a large discount to U.S. corn. Harvest is progressing quickly, now estimated at near 26% complete providing some rationale for the recent lower price trend.

US Slaughter	
436,000	Monday's
426,000	Monday's (year ago)
Western Corn Belt	\$65.22
Daily National Price	\$71.20
Daily Sig3(M.Leaf)	\$116.24
Daily Sig4(M.Leaf)	\$122.89
Thunder Creek	\$116.08
4-Month Fwd Avg	\$130.89
#1 Export Sows (+500lbs)	\$27.00cwt
B of C Ex. Rate (Noon)	
\$0.9723CAD / \$1.0285US	
Cash Prices: Week Ending September 14th, 2012	
52.15/114.96	Signature #3
57.92/127.68	Signature #4
52.68/116.14	h@ms Cash
53.80/118.60	Hylife
55.47/122.30	Thunder Creek
ISO Weans	\$5-30US
Feeder Pigs	\$8-19US

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			120.11	121.90	121.63	133.29	137.68	142.52	160.66	165.61	169.06
			121.90	125.93	130.60	137.78	139.43	156.02	169.21	170.11	172.22
(Maple Leaf Sig. #4)			125.16	125.16	126.38	135.34	138.59	144.20	158.20	165.17	167.65
			128.63	130.88	132.03	139.16	142.06	154.83	166.48	168.22	170.27
Soymeal Delivered	593	554	555	555							
Corn Delivered	321	309									

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.