



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, September 21, 2012

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

US Slaughter	
431,000 – Thursday's	
417,000 – Thursday's (year ago)	
Western Corn Belt	\$69.67
Daily National Price	\$71.62
Daily Sig3(M.Leaf)	\$124.82
Daily Sig4(M.Leaf)	\$124.26
Thunder Creek	\$125.00
4-Month Fwd Avg	\$132.81
#1 Export Sows (+500lbs)	\$27.00cwt
B of C Ex. Rate (Noon) \$0.9774CAD / \$1.0231US	
Cash Prices: Week Ending September 21st, 2012	
53.95/118.94	Signature #3
55.87/123.18	Signature #4
53.52/118.00	h@ms Cash
n/a	Hylife
51.53/113.60	Thunder Creek
ISO Weans	\$5-30US
Feeder Pigs	\$8-19US

Forward contract prices opened higher this morning. Cash markets experienced a good price recovery late this week, with packers adding about to US\$6.00/cwt. to their cash bids over the week. Hog supplies were no less abundant, implying that packers have a strong profit rationale to compete aggressively for the animals. The pork cut-out, the benchmark for wholesale pork prices in the U.S., maintained its firm values over the week as wholesalers and processors view current prices as an opportunity to build inventory. Lean Hog futures found support over the week, taking most contracts back to the highest levels seen in about a month. Analysts believe that weekly hog slaughter may have already peaked and that large, but more manageable supplies are on the horizon. However, recent concerns of a slower global economy will likely slow any further price recovery in the futures. The Canadian Dollar is expected to trade slightly higher this morning, seeing influence from the latest inflation rate data.

Canadian delivered soymeal prices opened higher this morning. Recent estimates have the U.S. soybeans yielding 3.4 bushels per acre higher than the anticipated 35.3 bushels per acre USDA forecast resulting in lower soybean prices. As prices decline export orders appear to be increasing, with China estimated to have booked 3-4 cargo loads as of yesterday.

Canadian delivered corn prices opened higher this morning. Concerns that U.S. corn yields are lower than the USDA estimated 122.8 bushels per acre look to support corn prices. South American supplies are still trading at a discount to U.S. corn, while ethanol margins are seeing a slight improvement.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			121.01 122.80	122.80 126.84	124.62 133.59	136.28 140.76	140.35 142.15	145.46 158.98	161.95 170.51	166.91 171.41	169.76 172.92
(Maple Leaf Sig. #4)			126.03 129.51	126.03 131.76	129.27 134.92	138.22 142.05	141.21 144.69	147.06 157.70	159.45 167.74	166.43 169.48	168.32 170.95
Soymeal Delivered	540	542	542	542							
Corn Delivered	321	309									

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WINNIPEG LIVESTOCK
 HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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