



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, October 03, 2012

**Forward contract prices opened mixed this morning.** U.S. cash markets received a good boost from the sharply higher pork cut-out yesterday, allowing packers to bid up the cash market for live hogs. The \$3.00/cwt. increase in the pork cut-out came from widespread support from all of the primal cuts, which is somewhat curious as supplies and production have been at or near record levels. With a great deal of media attention being paid to the possibility of a shortage of bacon, or at least higher prices, perhaps wholesalers are attempting to increase their frozen inventory ahead of a perceived spike in prices. Lean Hog futures also reflect the sentiment of higher hog prices for the next year, with summer month contracts broaching the US\$100/cwt. benchmark this morning. The Canadian Dollar is trading lower this morning as parts of Europe are seeing protests to the austerity measures that are being implemented, resulting in investors looking to mitigate risk and buying the U.S. Dollar.

US Slaughter	
436,000 – Tuesday's	
420,000 – Tuesday's (year ago)	
Western Corn Belt	\$78.58
Daily National Price	\$79.41
Daily Sig3(M.Leaf)	\$141.57
Daily Sig4(M.Leaf)	\$138.55
Thunder Creek	\$141.65
4-Month Fwd Avg	\$137.10
#1 Export Sows (+500lbs)	\$26.25cwt

2012 Annual Fall Marketing Meetings			
Manitoba	Date	Time	Location
Brandon	31-Oct	Noon	Royal Oak Inn & Suites, 3130 Victoria Avenue
Starbuck	01-Nov	1:00 PM	Starbuck Community Hall, 25 Main Street
Steinbach	02-Nov	Noon	The Village Green Restaurant, 350 Park Road East
Saskatchewan	Date	Time	Location
Swift Current	08-Nov	Noon	Wong's Kitchen, 320 S Service Road East
Saskatoon	09-Nov	Noon	Sandman Hotel, 310 Circle Drive West

<b>B of C Ex. Rate (Noon)</b> \$0.9829CAD / \$1.0174US
<b>Cash Prices: Week Ending September 28th, 2012</b>
59.92/132.11 Signature #3
58.65/129.29 Signature #4
58.70/129.40 h@ms Cash
56.75/125.11 Hylife
55.16/121.60 Thunder Creek
ISO Weans \$15.14US Avg
Feeder Pigs \$20.20US Avg

**Canadian delivered soymeal prices opened lower this morning.** Soybean futures continue to experience weakness amid steady reports of better than expected yields. Prices are down about 15 cents per bushel this morning, taking soybeans to price levels not seen in almost two months. In September's WASDE report, the average U.S. soybean yield was revised up 1.5 bushels per acre. However, there is speculation that yield projections could receive another upward revision on October's report.

**Canadian delivered corn prices opened lower this morning.** Average corn yields have been reported at 123.9 bushels per acre, this is 2.5 bushel per acre higher than the previous estimate. Last week's estimate of grain stocks showed tighter than expected supplies, indicating that demand from livestock feeders and ethanol plants has not slowed as much as was anticipated.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		127.74	129.55	130.04	141.85	146.58	150.91	166.79	171.78	175.73
(Maple Leaf Sig. #4)		129.55	133.63	139.13	146.40	148.40	164.52	175.41	176.32	178.93
Soymeal Delivered	519	519	519	523	523					
Corn Delivered	294	294								

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WINNIPEG LIVESTOCK HWY #6 AND RD 236 CALL CRYSTAL FOR MORE INFO 204-235-2225

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