



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, October 11, 2012

## Forward contract prices opened mixed this morning.

U.S .cash markets turned lower yesterday, with most regions losing between \$0.50 - \$1.00/cwt. However, the pork cut-out moved in the opposite direction, gaining approximately \$1.00/cwt and improving packer operating margins by close to \$3.00 per hog. Hog supplies have stabilized since the temporary spike in numbers were seen about a month ago, with producers marketing earlier and at lighter weights so as to minimize the impact of the high feed costs. Lean Hog futures made strong gains yesterday, with most of the nearby contracts gaining more than \$1.00/cwt. Summer month futures have broken into new contract highs as traders believe that hog supplies will be reduced by the impact of higher feed costs. However, the latest Hogs and Pigs Report failed to show a substantial reduction in numbers. The Canadian Dollar is trading higher this morning in spite of a downgrade to Spain's credit rating that may force that country to borrow from the European Central Bank.

US Slaughter	
434,000	– Wednesday's
429,000	– Wednesday's (year ago)
Western Corn Belt	\$79.94
Daily National Price	\$83.49
Daily Sig3(M.Leaf)	\$143.41
Daily Sig4(M.Leaf)	\$145.04
Thunder Creek	\$143.02
4-Month Fwd Avg	\$138.48
#1 Export Sows (+500lbs)	\$26.75cwt
<b>B of C Ex. Rate (Noon)</b> \$0.9787CAD / \$1.0217US	
<b>Cash Prices: Week Ending October 5th, 2012</b>	
63.25/139.44	Signature #3
62.68/138.19	Signature #4
62.20/137.13	h@ms Cash
60.48/133.33	Hylife
60.69/133.80	Thunder Creek
ISO Weans	\$22.74US Avg
Feeder Pigs	\$23.73US Avg

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

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex is sharply higher this morning despite the WASDE Report's results that raised total U.S. soybean production by 15 million bushels. Economists raised yield expectations from September's 35.3 to 37.8 bushels per acre, after recent survey results show yields better than expected.

**Canadian delivered corn prices opened higher this morning.** This morning's release of the World Agricultural Supply and Demand Estimates (WASDE) had the effect of snapping the corn market's steady trend, taking corn prices to their highest level in a month. The report suggested that average corn yields are still near their September estimate of 122 bushels per acre, but the estimate for harvested acres was bumped up by 300,000 acres.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			128.27	129.29	140.98	144.45	149.33	167.64	172.60	175.14
(Maple Leaf Sig. #4)			132.30	138.28	145.48	146.25	162.86	176.20	177.10	178.30
			129.60	132.08	141.05	143.98	149.58	163.73	170.72	172.31
			134.64	137.74	144.88	147.46	160.24	172.03	173.77	174.94
Soymeal Delivered	537	537	537	539	539	539				
Corn Delivered	305	307								

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WINNIPEG LIVESTOCK  
 HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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