



Hog Prices: ↑ Soymeal: ↓

Corn: ↓ Cdn Dollar: ↔

# Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, October 12, 2012

**Forward contract prices opened higher this morning.** After starting the week higher, cash markets have seen some weakness as packers have been disciplined in their buying programs. U.S. packers have experienced a significant improvement in their operating margins this week, partly due to the strength in wholesale pork prices. The pork cut-out has increased by about \$4.00/cwt. over the last week, a move that is not typical for this time of year. Most of the Lean Hog futures have also seen solid gains, with all the contracts representing next summer at or near the benchmark \$100/cwt. Traders believe that market hog supplies will be tighter in this timeframe than was seen this past summer, despite little evidence of this on the latest Hogs and Pigs Report. The Canadian Dollar is trading slightly higher this morning as currency traders are focusing on the bullish economic news of stronger profits for banks and higher commodity prices.

US Slaughter	
434,000	Thursday's
428,000	Thursday's (year ago)
Western Corn Belt	\$79.96
Daily National Price	\$83.48
Daily Sig3(M.Leaf)	\$143.37
Daily Sig4(M.Leaf)	\$144.95
Thunder Creek	\$143.41
4-Month Fwd Avg	\$139.72
#1 Export Sows (+500lbs)	\$26.75cwt
<b>B of C Ex. Rate (Noon)</b> \$0.9782CAD / \$1.0222US	
<b>Cash Prices: Week Ending October 12th, 2012</b>	
65.11/143.55	Signature #3
65.11/143.54	Signature #4
64.20/141.54	h@ms Cash / Hylife
64.41/142.00	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 lower this morning.** The soybean complex was down sharply in overnight trade, erasing the gains that were seen yesterday. The WASDE Report forecasted this year's U.S. production at 2.86 billion bushels, close to 9% higher than their September forecast.

**Canadian delivered corn prices opened lower this morning.** After yesterday's trade which saw Corn futures move higher by close to the 40 cent limit, prices are cooling off from those highs. The release of the WASDE Report was accurately forecast by traders, but the realization of projected U.S. ending stocks being the tightest in 17 years at 619 million bushels was enough to trigger the spike.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			129.62	130.57	142.29	145.53	150.33	168.39	173.36	175.41
			133.67	139.59	146.79	147.34	163.88	176.97	177.87	178.57
(Maple Leaf Sig. #4)			130.92	133.34	142.33	145.03	150.56	164.46	171.46	172.58
			135.97	139.01	146.17	148.52	161.23	172.77	174.52	175.20
Soymeal Delivered	529	529	531	536	536	536				
Corn Delivered	299	301								

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized

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

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