



Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, October 15, 2012

Forward contract prices opened lower this morning.

U.S. cash markets are starting this week higher, continuing the counter seasonal rally that has developed over the last two months. Last week's slaughter came in just shy of 2.4 million hogs, approximately 3.5% higher than the same week one year ago. Packers are competing for the ample supplies as operating margins remain profitable and given the upcoming holidays, can rationalize building pork inventories. Lean Hog futures are trading lower this morning with the exception of the December contract which is seeing influence from firmer cash market. In fact, December is trading at its highest level in 2 ½ months, recovering 12% of its value from the low put in about a month ago. Deferred month futures are seeing influence from weaker pork export data that was released late last week. August 2012 U.S. pork exports were 3% lower than August 2011, with exports to China down 27% compared to year ago levels.

Hog Prices: ↓ Soymeal: ↓

Corn: ↓ Cdn Dollar: ↓

US Slaughter	
2.39 Mill – Last Week's	
2.31 Mill – Last Week's (year ago)	
Western Corn Belt	\$81.68
Daily National Price	\$84.02
Daily Sig3(M.Leaf)	\$146.71
Daily Sig4(M.Leaf)	\$146.13
Thunder Creek	\$146.97
4-Month Fwd Avg	\$139.67
#1 Export Sows (+500lbs)	\$26.75cwt
B of C Ex. Rate (Noon)	
\$0.9799CAD / \$1.0205US	
Cash Prices: Week Ending October 12th, 2012	
65.11/143.55 Signature #3	
65.11/143.54 Signature #4	
64.20/141.54 h@ms Cash	
63.29/ 139.53 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.

Soybean futures are trading sharply lower this morning, following last week's WASDE Report which triggered a price decline on Friday and a continuation today. Traders are speculating that this year's crop is better than previously thought, leaving the implication of a larger cushion of supply at the end of year.

Canadian delivered corn prices opened lower this morning.

Corn futures are down over 11 cents from Friday's close following the decline since the release of the WASDE Report last week. Prices also reflect market rumors that individual U.S. livestock feeders had imported 600,000 tons of grain from Argentina with another 750,000 tons to follow from Brazil later in the year.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			130.15	130.45	142.15	144.98	149.92	166.17	171.14	173.51
			134.20	139.45	146.65	146.78	163.46	174.75	175.65	176.68
(Maple Leaf Sig. #4)			131.43	133.21	142.19	144.49	150.16	162.31	169.31	170.74
			136.49	138.87	146.02	147.97	160.83	170.62	172.37	173.36
Soymeal Delivered	521	521	523	528	528	528				
Corn Delivered	293	295								

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

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LIGHT HOG PROGRAM!

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