



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
<http://hamsmarketing.ca>

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

Wednesday, October 17, 2012

Forward contract prices opened lower this morning. US

packers are attempting to maintain production levels comparable with last week resulting in competitive bids throughout most of the trade. The pork cut-out has been stronger than typically seen at this time of year possibly due to the relatively high prices of competing meats. Despite this, compared to year-ago levels, pork prices are down close to 12%; the difference explained largely by the lack of pork exports to China this year. Considering the discount that this year's cash price has to last year, Lean Hog futures appear to be good value. The February contract is trading at the same price level as the cash market was in February 2012, however the prospect of similar export sales for this timeframe is significantly lower. Producers without protection in early 2013 should consider pricing a portion of their production as cash prices may come under pressure due to reduced export market interest.

US Slaughter	
433,000— Tuesday's	
426,000 — Tuesday's (year ago)	
Western Corn Belt	\$82.28
Daily National Price	\$84.58
Daily Sig3(M.Leaf)	\$148.62
Daily Sig4(M.Leaf)	\$147.93
Thunder Creek	\$148.37
4-Month Fwd Avg	\$140.74
#1 Export Sows (+500lbs)	\$32.00cwt
B of C Ex. Rate (Noon) \$0.9854CAD / \$1.0148US	
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	\$25.96US Avg
Feeder Pigs	\$24.03US 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.

News of soybean sales continues to show robust demand, particularly from export markets, however futures have been resistant to moving higher. Recent news of better than expected yields have helped offset the bullish consequences of strong demand. Ultimately, if current demand is maintained, higher prices will be required to ration the sales that are outpacing projected supply.

Canadian delivered corn prices opened higher this morning.

Corn's closing prices disappointed traders yesterday, however have returned to the upper end of the trading range this morning. Despite weak export demand for US corn, CME futures contracts through September of 2013 are holding firm. Traders anticipate a firm basis as processors attempt to secure their own supply while some international buyers of US corn source from the Black Sea Region and South America.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			131.51	131.63	143.38	145.45	150.48	166.57	171.54	174.21
			135.57	140.67	147.89	147.26	164.07	175.17	176.07	177.39
(Maple Leaf Sig. #4)			132.77	134.38	143.39	145.40	150.72	162.69	169.71	171.43
			137.83	140.07	147.24	148.46	161.43	171.03	172.79	174.06
Soymeal Delivered	516	516	518	523	523	523				
Corn Delivered	300	300	307	307						

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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