



Hog Margin Outlook

Meeting Your Marketing Needs

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

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
434,000–	Wednesday's
428,000 –	Wednesday's (year ago)
Western Corn Belt	\$80.60
Daily National Price	\$84.66
Daily Sig3(M.Leaf)	\$144.73
Daily Sig4(M.Leaf)	\$147.21
Thunder Creek	\$144.40
4-Month Fwd Avg	\$141.07
#1 Export Sows (+500lbs)	\$32.00cwt
B of C Ex. Rate (Noon)	\$0.9796CAD / \$1.0208US
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

Thursday, October 18, 2012

Forward contract prices opened lower this morning. US cash markets opened lower this morning, following the same trend experienced for the last several weeks; higher cash bids to start the week and lower bids to finish. Packers have been aggressive buyers early in the week focusing on securing the week's slaughter requirements. The pork cut-out has strengthened by nearly \$15/cwt over the last three weeks, contra what is typical at this time of year when pork supply is high and prices would typically fall by about \$5.00/cwt. Lean Hog futures suggest the cash market will stay near steady over the next 3 months, and then rally through the spring timeframe, peaking in the summer at levels near the benchmark \$100/cwt. Forward contract prices represent good value in the spring and summer of 2013, as there is some doubt that US export demand will be high enough to support these prices.

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 markets continue their recent bullish trend with little evidence that export demand will slow enough to take the pressure off the tight ending stocks projections. A weaker US Dollar has contributed to the strength, providing more purchasing power to foreign buyers. Soybean processors, both domestic and foreign, have had little incentive to reduce their usage, with the price declining more than 15% over the last two months.

Canadian delivered corn prices opened higher this morning. Corn traded steady most of yesterday but rallied late in the day. Corn futures reflect a steady trend through to July of 2013 but new crop contracts have a discount of \$1.00/bushel, reflecting an optimistic outlook for next year's crop. US export demand remains weak and traders are expecting limited activity in today's export sales report.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			131.33 135.38	132.21 141.23	143.94 148.45	146.01 147.82	150.72 164.27	166.98 175.56	171.94 176.46	174.88 178.06
(Maple Leaf Sig. #4)			132.58 137.64	134.93 140.61	143.93 147.77	145.50 148.99	150.93 161.61	163.84 171.40	170.09 173.15	172.08 174.71
Soymeal Delivered	529	529	531	535	535	535				
Corn Delivered	298	298	298	298						



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