

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

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 01, 2012

For details call: (204)235-2237 or visit
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Forward contract prices opened lower this morning.

US cash markets are lower this morning, following yesterday's trade that had most regions decline by approximately \$0.75/cwt. However, estimated packer margins improved by close to \$4.00/hog as the pork cut-out was up by nearly \$1.00/cwt. Current operating margins are profitable, giving packers incentive to maintain their recent production schedule. Market fundamentals are not all positive with nearby Lean Hog contracts holding a discount to the current cash market and inventory in storage is at record high levels. Deferred month contracts hold good value when compared against historical trends, with the summer month contracts trading at better than \$100/cwt. The Canadian dollar is trading near the lower end of its recent trading range, contributing to strong forward contract values.

US Slaughter	
434,000 - Wednesday's	
430,000 - Wednesday's (year ago)	
Western Corn Belt	\$79.95
Daily National Price	\$84.55
Daily Sig3(M.Leaf)	\$146.49
Daily Sig4(M.Leaf)	\$150.02
Thunder Creek	\$146.25
4-Month Fwd Avg	\$144.18
#1 Export Sows (+500lbs) \$ 41.75 cwt	
B of C Ex. Rate (Noon) \$0.9996CAD / \$1.0004US	
Cash Prices: Week Ending October 26th, 2012	
68.45/150.91 Signature #3	
68.64/151.32 Signature #4	
67.59/149.01 h@ms Cash	
66.81/147.29 Hylife	
67.09/147.90 Thunder Creek	
ISO Weans	\$39.07 US Avg
Feeder Pigs	\$38.69US 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. Trading is strong this morning for all contracts through to Nov 2013. The strength is coming primarily from concerns that a bumper crop in soy will not materialize in South America and talk of Chinese demand picking up. A better than expected economic outlook in China is also supporting soy prices today.

Canadian delivered corn prices opened higher this morning. Corn futures are trading firmer this morning. Corn surged yesterday posting gains throughout the day as traders resumed buying especially in the Asian markets. The weekly crop update showed that 91 percent of the crop is harvested. Analysts watching South America are hopeful that dry weather predicted into next week will provide an opportunity to catch up with planting, but there are ideas that up to 20% of the corn crop will not be seeded.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward			133.93	135.75	146.28	150.22	154.88	171.38	176.45	178.55
Range (Maple Leaf Sig. #3)			138.04	143.54	150.86	151.60	168.71	180.14	181.06	180.85
(Maple Leaf Sig. #4)			135.18	138.55	146.27	150.97	155.07	167.83	174.97	175.67
			140.32	142.90	150.17	152.30	165.96	175.87	177.65	177.01
Soymeal Delivered	572	572	572	566	552	552				
Corn Delivered	301	301	301	306	306					

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