

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

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, November 02, 2012

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

cash markets are finishing this week slightly lower than last week with ample supplies of live hogs and abundant supplies of pork in storage. Weekly slaughter levels continue to average more than 3% above year ago levels, while USDA projections on the last Hogs and Pigs report had supplies only slightly higher. Packers have benefitted from firm wholesale pork prices, providing incentives to maintain their slaughter schedule. December Lean Hog futures are seeing some influence from traders speculating on the short term impact of Hurricane Sandy, but most analysts believe that the upfront bearish impact of the storm, especially in the food service sector, will be offset by "restocking" home supplies in the retail sector. The summer month contracts have come off of their recent highs, with some concern over the lack of any significant supply reductions and questions as to whether export markets can support current values. The Canadian Dollar is trading higher this morning, seeing some benefit from near steady employment numbers for both Canada and the US.

US Slaughter	
432,000 - Thursday's	
423,000 - Thursday's (year ago)	
Western Corn Belt	\$79.66
Daily National Price	\$80.03
Daily Sig3(M.Leaf)	\$146.30
Daily Sig4(M.Leaf)	\$149.14
Thunder Creek	\$145.30
4-Month Fwd Avg	\$142.65
#1 Export Sows (+500lbs)	\$ 41.75 cwt
B of C Ex. Rate (Noon)	
\$0.9973CAD / \$1.0027US	
Cash Prices: Week Ending November 2, 2012	
66.74/147.13 Signature #3	
68.39/150.78 Signature #4	
66.24/146.04 h@ms Cash	
66.24/146.04 n/a Hylife	
50.68/150.50 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 lower this morning.

Soybean futures are trading lower this morning with influence from weaker EU and US equity markets. It is believed that traders have 'priced in' an increase of 40 to 80 million bushels of production in anticipation of next week's WASDE Report. However, cash markets remain strong as commercial traders attempt to secure already tight supplies from producers for delivery next year. Of note, Brazil exported 907 thousand metric tonnes in October compared to 1.68 mmt in September and 1.41 mmt in October last year.

Canadian delivered corn prices opened lower this morning.

Corn futures opened lower. There is talk that weaker demand from the ethanol industry and weaker exports of US corn may push prices lower. International buyers appear to be sourcing corn from South America and The Black Sea Region. Indeed, Brazil exported 3.66 mmt in October compared and 3.15 mmt in September, and more than double the 1.52 mmt in October 2011. Analysts expect the corn market to trade sideways leading up to next week's WASDE Report.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward			131.50	134.22	144.75	148.68	152.38	168.95	173.99	177.99
Range (Maple Leaf Sig. #3)			135.61	142.00	149.32	150.06	166.11	177.65	178.57	180.30
(Maple Leaf Sig. #4)			132.82	137.06	144.78	148.68	152.61	165.47	172.12	175.13
			137.96	141.41	148.68	150.81	163.43	173.45	175.22	176.47
Soymeal Delivered	561	561	561	555	544	544				
Corn Delivered	290	290	290							

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