



# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, November 06, 2012

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

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

US Slaughter	
434,000 - Monday	
434,000 - Monday (year ago)	
Western Corn Belt	\$78.15
Daily National Price	\$83.86
Daily Sig3(M.Leaf)	\$142.75
Daily Sig4(M.Leaf)	\$148.33
Thunder Creek	\$141.99
4-Month Fwd Avg	\$140.20
#1 Export Sows (+500lbs) \$ 44.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9965CAD / \$1.0035US	
<b>Cash Prices: Week Ending November 2, 2012</b>	
66.74/147.13 Signature #3	
68.39/150.78 Signature #4	
66.24/146.04 h@ms Cash	
66.13/145.78 Hylife	
50.68/150.50 Thunder Creek	
ISO Weans \$43.76 US Avg	
Feeder Pigs \$42.93 US Avg	

**Forward contract prices opened lower this morning.** US packer bids dropped sharply yesterday, with some regions reporting more than \$2.50/cwt change from Friday's bids. Packers however were not making this move in response to a squeeze on profit margins, as the pork cut-out gained close to \$1.00/cwt, resulting in nearly a \$6.00/hog gain in estimated operating margins. Lean Hog futures moved sharply lower in trade yesterday, as the market contends with differing views on hog supply over the next several months. There is little evidence of a reduction in the breeding herd over the last two months, suggesting that producers are banking on a reduction in feed costs next growing season. However, others believe that reductions are happening by attrition and that while fewer sows are coming to market (sow slaughter down 6% from year ago), there are fewer gilts replacing their productive capacity. From a long term supply standpoint, there is more uncertainty than there has been in years.

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.** Soy futures opened higher this morning but there are some mixed market signals in soybean trade providing a slightly bearish tone. Issues include expectations of a better than expected US soybean yield, adverse weather in South America which could result in more soybean acres, and strong demand for US soybeans, especially from China. The US Soybean harvest is estimated at 93 percent complete, compared to 91% last year.

**Canadian delivered corn prices opened even this morning.** Corn opened higher across all offered futures contracts this morning ahead of this Friday's WASDE Report. Analysts expect yields of approximately 122 bu./acre for a total estimate of 10.706 billion bu. harvested. Also factored into this morning's trade are continued weak export demand and a crop conditions report that has corn harvest at 95 percent complete.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		129.05	131.00	141.51	144.44	148.32	164.47	169.50	173.18
		133.15	138.77	146.08	145.81	162.05	173.16	174.08	175.47
(Maple Leaf Sig. #4)		130.44	133.94	141.64	144.56	148.68	161.13	168.22	170.46
		135.56	138.28	145.53	146.69	159.49	169.11	170.88	171.79
Soymeal Delivered	551	551	551	551	551				
Corn Delivered	291	297	297	297					

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WINNIPEG LIVESTOCK  
 HWY #6 AND RD 236

LIGHT HOG PROGRAM!

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ACCEPTING:  
 SOWS  
 BOARS  
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 MARKET HOGS