

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

Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, November 07, 2012

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

Forward contract prices opened higher this morning.

US cash markets are experiencing significant volatility with losses of \$2.00/cwt. on Monday more than offsetting gains as high as \$3.24/cwt. in some key regions. Alternatively, the pork cut-out has not seen the same volatility and has held near \$85/cwt for the last few weeks. Packers are always concerned about prices of wholesale pork, regardless if they are fully integrated, as these prices established in the open market represent some of their competitor's costs. Lean Hog futures are factoring in more abundant supplies as most analysts believe that liquidation to the breeding herd has been negligible. Summer month contracts have dropped about 2% of their value over the last few trading days, however those prices still represent fair value given the likelihood that supplies will be comparable to the summer of 2012. The Canadian Dollar is trading near unchanged against the US Dollar with the re-election of U.S. President Obama largely anticipated by world markets.

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.

Trading was quiet in the overnight session and all soy futures contracts have opened lower this morning. There is some mild uncertainty in the market ahead of Friday's WASDE Report. Analysts are expecting yield estimates to increase to 38.15 bu./acre resulting in an increase in production of 30 million bushels. The trade is expecting an Ending Stocks estimate of 130 million bushels.

Canadian delivered corn prices opened higher this morning.

Corn futures opened lower this morning and with a modest reaction to the US presidential election. A potential long liquidation by fund traders looms, potentially pulling down commodities. As well, current prices in Argentina and Brazil are rising, closing the estimated \$20 USD premium on US corn meaning supplies are tightening. The Argentine 'corn belt' has recorded an increase of 200 percent above normal precipitation levels in October pressuring futures.

US Slaughter	
435,000 - Tuesday	
431,000 - Tuesday (year ago)	
Western Corn Belt	\$80.29
Daily National Price	\$83.66
Daily Sig3(M.Leaf)	\$146.23
Daily Sig4(M.Leaf)	\$147.54
Thunder Creek	\$147.57
4-Month Fwd Avg	\$141.43
#1 Export Sows (+500lbs)	\$ 44.50 cwt
B of C Ex. Rate (Noon)	
\$0.9936CAD / \$1.0064US	
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	
66.13/145.78 Hylife	
50.68/150.50 Thunder Creek	
ISO Weans	\$43.76 US Avg
Feeder Pigs	\$42.93 US Avg

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		130.25	132.23	142.75	145.81	149.66	165.29	170.33	173.61
		134.36	140.01	147.33	147.18	163.41	174.00	174.92	175.90
(Maple Leaf Sig. #4)		131.61	135.14	142.84	145.89	149.99	161.93	168.58	170.87
		136.74	139.48	146.74	148.02	160.81	169.91	171.69	172.20
Soymeal Delivered	544	544	541	541	541				
Corn Delivered	297	297							

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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