

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

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 15, 2012

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Forward contract prices opened lower this morning.

US packer demand may soften for the remaining weeks of November as hams ready for the US Thanksgiving already need to be in transit for the meat case next week. Packers are planning another large Saturday slaughter, but bids are unlikely to rally significantly as producers have been content to market animals at lower weights in order to minimize feed costs. Average carcass weights are running close to 2% lower than year ago levels, with no immediate signs that this trend will turn around soon. Lean Hog futures are experiencing some weakness, due in part to the talk that cash markets will come under pressure. Almost all contracts were down by \$0.50/cwt. in overnight trade, but the 2013 contracts are still very close to recent highs put in earlier this week.

Canadian delivered soymeal prices opened higher this morning.

Soybean futures have opened mixed. Outside market weakness, in part as a result of the leadership transition in China and fears that the Euro-zone will enter another recession, have pulled down market confidence in general and hence, soybean prices. But, there is an optimistic tone regarding demand with oil stocks and crush levels all up over last year. There is news that more US oil and bean sales are destined for export.

Canadian delivered corn prices opened lower this morning.

Corn futures have also opened mixed in the morning trade. Like soybeans, corn is not immune to outside market weaknesses. As well, poor ethanol margins and a continued poor US export performance have resulted in sluggish old crop corn futures trade. In spite of this, if the EIA Ethanol Production Report released this morning shows a rise in production, analysts expect an increase in futures prices. As well, if the adverse South American weather has affected SA corn exports as expected, higher US new crop futures could be a result.

US Slaughter	
434,000 - Wednesday	
426,000 - Wednesday (year ago)	
Western Corn Belt	\$75.88
Daily National Price	\$82.16
Daily Sig3(M.Leaf)	\$139.34
Daily Sig4(M.Leaf)	\$146.10
Thunder Creek	\$139.03
4-Month Fwd Avg	\$147.52
#1 Export Sows (+500lbs) \$ 48.50 cwt	
B of C Ex. Rate (Noon) \$1.0018 CAD/\$0.9982 US	
Cash Prices: Week Ending November 9, 2012	
65.92/145.32 Signature #3	
67.13/147.99 Signature #4	
65.31/143.99 h@ms Cash	
64.92/143.12 Hylife	
65.54/146.70 Thunder Creek	
ISO Weans \$47.58 US Avg	
Feeder Pigs \$46.72 US Avg	

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		137.50	138.06	148.65	152.97	155.27	169.94	175.02	177.85
		140.43	145.88	153.25	154.35	167.27	178.71	179.63	180.17
(Maple Leaf Sig. #4)		139.99	140.29	147.78	152.32	155.09	166.44	173.95	175.27
		141.95	144.21	150.99	153.21	161.53	174.85	176.81	176.53
Soymeal Delivered	509	509	505	505	505				
Corn Delivered	290	291							

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