

Hog Prices: ↑ Soymeal: ↑
Corn: ↑ CDN Dollar: ↑

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, December 03, 2012

For details call: (204)235-2237 or visit
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US Slaughter	
2.39 mil.	Last Week
2.36 mil.	Last Week (year ago)
W. Corn Belt	\$82.71
National Price	\$81.69
Daily Sig 3	\$150.58
Daily Sig 4	\$144.01
Thunder Creek	\$150.62
4-Month Fwd	\$151.95
#1 Export Sows (+500lbs) \$ 52.00 cwt.	
B of C Ex. Rate (Noon) \$0.9932 CAD/\$1.0068 US	
Cash Prices: Week Ending November 30, 2012	
Signature 3	64.61/142.43
Signature 4	63.98/141.05
h@ms Cash	63.54/140.09
Hylife	62.11/136.93
Thunder Creek	62.37/137.50
ISO Weans	\$56.18 US Avg.
Feeder Pigs	\$62.33 US Avg.

Forward contract prices opened higher this morning.

US cash markets are called to open steady to slightly lower, after last week's huge gains in almost all of the USDA reporting regions. Friday's trade had most areas reporting cash bids \$2.50/cwt. higher than the previous day, and took cash markets to the highest level seen in a month. Packer profitability has eroded over the last week, trading close to break-even levels as product values have not experienced the same strength as live prices. A recent report on restaurant activity may bias the hog futures to a weaker day as it shows that traffic in restaurants was lower than year ago levels. While sales through the food service sector make up a large portion of pork's total sales, they also reflect a broader measure, consumer confidence. Lean Hog futures are trading slightly lower to start the week, but should find support from the recent strength in the cash market.

Canadian delivered soymeal prices opened higher this morning.

Soybean futures are opening higher across all offered contracts this morning. Overnight trading for nearby futures has been influenced by rumors that China will be a significant buyer of US beans in the month of December. As well, there is talk that the US Congress will enact a \$1 USD per gallon blending credit for Bio-Diesel by the end of 2012 thereby increasing demand in 2013. There is still talk that corn acreage will be shifted to soy in Argentina due to heavy rains.

Canadian delivered corn prices opened higher this morning.

Corn futures opened higher across all contracts this morning. Heavy rain in Argentina continues to delay planting and most analysts expect the current USDA estimate of 28 MMT to be revised lower to 23-25 MMT. Corn seeding in Argentina is estimated at 63 percent as compared to 73 percent last year. Export demand for US corn has not yet materialized and the southerly outflow of US grains could be complicated by low water levels on the Mississippi River.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		141.59 149.35	150.72 153.91	153.46 154.83	155.39 167.27	171.38 180.06	176.40 180.97	178.66 180.95	173.90 177.56	158.73 160.56
(Maple Leaf Sig. #4)		142.59 146.48	149.13 151.08	152.23 153.11	154.63 164.01	167.28 175.60	174.71 177.55	175.49 176.73	171.05 174.60	157.26 163.82
Soymeal Delivered	524	515	515	515						
Corn Delivered	300	302	302							

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