



Hog Margin Outlook

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Tuesday, December 04, 2012

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

US Slaughter	
432,000	Monday
427,000	Monday (year ago)
W. Corn Belt	\$84.14
National Price	\$82.61
Daily Sig 3	\$153.12
Daily Sig 4	\$145.57
Thunder Creek	\$153.76
4-Month Fwd	\$149.09
#1 Export Sows (+500lbs)	\$ 49.50 cwt.
B of C Ex. Rate (Noon)	\$0.9928 CAD/\$1.0072 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 lower this morning.

US cash markets continue to trade firm even after the 6% rally over the last couple of trading days. Packers have been willing to give up some of their operating margin in an effort to maximize their production schedule, in part to secure fresh product for their processing operations in time for Christmas. However, futures traders are starting to suggest that the recent gains are overdone, as the nearby contracts dropped more than \$1.00/cwt. from the high in trade yesterday. Spring and Summer month contracts also came under pressure, with these contracts trading \$1.00/cwt. lower than last week's close. Forecasted demand for pork is mixed, with influence from competing meats positive, but the economic outlook for the US still uncertain. The Canadian Dollar is holding at the top end of its 1-month trading range, about 50 basis points stronger than the US Dollar.

Canadian delivered soymeal prices opened even this morning.

Soybean meal futures opened mixed this morning. The soybean market generally remains supported by strong export demand and delayed plantings in South America. There is consistent talk that heavy rainfall in Argentina will allow farmers to recommit acres to soybeans; however, this is not yet confirmed. There are reports that US export inspections are 39.9 percent above last year's level while soybean exports from South America are quite poor.

Canadian delivered corn prices opened lower this morning.

Corn futures are trading lower this morning following a lower overnight performance. While tight supply offers support for US corn, consistently poor export demand and cheaper international corn from South America and the Ukraine are all pressuring the US corn trade. As well, general market confidence is lower this morning following a report showing a contraction in US manufacturing in November.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		139.00 146.75	148.12 151.31	150.67 152.04	152.79 164.67	169.33 178.01	174.35 178.92	177.25 179.55	172.35 176.02	157.67 159.50
(Maple Leaf Sig. #4)		140.08 143.97	146.61 148.56	149.53 150.41	152.11 161.49	165.30 173.62	172.73 175.56	174.13 175.38	166.01 173.12	156.23 162.81
Soymeal Delivered	524	515	515	515						
Corn Delivered	298	298	298							

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WINNIPEG LIVESTOCK
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LIGHT HOG PROGRAM!

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