



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, December 05, 2012

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

US Slaughter	
432,000	Tuesday
428,000	Tuesday (year ago)
W. Corn Belt	\$85.52
National Price	\$83.99
Daily Sig 3	\$155.61
Daily Sig 4	\$147.99
Thunder Creek	\$155.50
4-Month Fwd	\$148.44
#1 Export Sows (+500lbs)	\$ 49.50 cwt.
B of C Ex. Rate (Noon)	\$0.9927 CAD/\$1.0073 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 experienced another strong day of trade, with packers increasing their bids by close to \$1.50/cwt. across most regions. However, the product market is not keeping up with cash bids resulting in estimated operating margins that are unprofitable for packers. Some US packers have an incentive to exchange packer profitability with producer profitability as they own over half of the animals run through their plants, and they wish to apply pressure to their competitors who are less integrated. Early trading Lean Hog futures are starting today's trade higher, but experienced a setback in prices earlier this week. 2013 Forward prices currently reflect good value when you compare the prices to the 2012 cash market, given that there is still uncertainty related to the demand in both the domestic and export markets.

Canadian delivered soymeal prices opened mixed this morning.

Soybean futures opened higher this morning partly as a reaction to news indicating global supply may become tighter than expected. China is rumored to have secured more soybeans from the US and Brazil. In addition a 10 percent export tax on soybean exports is expected to pass in Paraguay eminently. Paraguay is estimated to produce 8.4 MMT and export 5.4 MMT for the 2012/13 crop year compared to 4.3MMT produced and 3.1MMT exported last year.

Canadian delivered corn prices opened higher this morning.

Nearby corn futures have opened mixed this morning with modest gains noted for the new crop offers. Currently, there are reports that US corn is trading at a \$32 and \$39 per tonne premium to Brazilian and Argentine corn respectively. There are rumors that much of the South American corn exports are destined for the EU with the US corn destined for Asian markets.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		138.67 146.42	147.79 150.98	150.75 151.20	152.00 163.88	168.41 177.09	174.81 178.01	175.79 178.07	170.70 174.36	156.48 158.31
(Maple Leaf Sig. #4)		139.76 143.64	146.29 148.23	148.71 149.59	151.35 160.73	164.41 172.73	171.85 174.68	172.71 173.95	167.96 171.50	155.07 161.63
Soymeal Delivered	523	522	522	522						
Corn Delivered	298	300	300							

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.

WINNIPEG LIVESTOCK
 HWY #6 AND RD 236

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING:
 SOWS
 BOARS
 LIGHTS
 MARKET HOGS