

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

# Hog Margin Outlook

Meeting Your Marketing Needs

Friday, December 14, 2012

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

**Forward contract prices opened higher this morning.** US cash markets appear to have found support at current levels, however product values are still under pressure. The available hog supply is matching up well with packer demand this week, but the pork cut-out continues to see weakness as the loin, rib and ham primal cuts come under pressure. Lean Hog futures found renewed optimism for the 2013 contracts with yesterday's trade resulting in gains across almost all contracts of \$1.00/cwt. or more. The market was encouraged by October's export sales which exceeded most traders' expectations by increasing by 4% over last year. With exports to China sharply lower than year ago levels, traders had anticipated lower volumes than those seen in October 2011. However, growth in exports to Mexico, Russia and South Korea were strong enough to offset the reduction to China. The Canadian Dollar is trading at the high end of its recent trading range reacting to stronger commodity prices and a commitment from the US Federal Reserve to maintain their stimulus program.

**Canadian delivered soymeal prices opened higher this morning.** US Soybean futures opened higher this morning. In what has been called a 'buying binge', China purchased 37.1 million out of 48.5 million bu. marketed last week. Analysts note that China's buying activity has helped US soy sales reach a high compared to other years and has influenced nearby prices. As well, the first 14 weeks of the new marketing year are showing strength, adding support to new crop futures prices.

**Canadian delivered corn prices opened lower this morning.** Overnight and early corn futures started off lower but are starting to climb higher in this morning's trade. The USDA noted that at 258,900 mt, export corn sales are up over last week. However, exports are still a far cry from the over 1.8 mmt in sales recorded in September this year. Although corn exports have picked up in some markets (notably Mexico and Japan) offsets have been recorded in smaller markets and remain relatively meagre overall.

US Slaughter	
433,000	Wednesday
431,000	Wednesday
W. Corn Belt	\$78.68
National Price	\$84.70
Daily Sig 3	\$142.11
Daily Sig 4	\$148.14
Thunder Creek	\$142.25
4-Month Fwd	\$149.84
#1 Export Sows (+500lbs) \$ 46.00 cwt.	
<b>B of C Ex. Rate (Noon)</b> \$0.9854 CAD/\$1.0148US	
<b>Cash Prices: Week Ending December 7, 2012</b>	
Signature 3	69.51/153.24
Signature 4	66.90/147.48
h@ms Cash	67.95/149.80
Hylife	66.02/145.54
Thunder Creek	65.73/144.90
ISO Weans	\$58.79 US Avg.
Feeder Pigs	\$65.47 US Avg.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		139.28 145.60	146.95 150.11	149.45 150.80	151.54 163.30	166.73 175.33	171.71 176.23	175.19 177.47	173.50 174.41	156.75 158.57
(Maple Leaf Sig. #4)		139.86 143.70	145.98 147.90	148.83 149.70	151.39 160.67	162.77 171.01	170.66 172.94	172.12 173.35	165.01 171.53	155.32 161.84
Soymeal Delivered	536	531	531	531	532					
Corn Delivered	287	289	291							

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.



## FOR RENT

4025 square foot space in Headingley.  
New building, develop to your own specifications.  
For more information please call Perry Mohr  
204-235-2234 or 204-771-5066