

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

# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, December 18, 2012

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

**Forward contract prices opened lower this morning.** US cash markets were lower to start the week, with packers having little difficulty sourcing supplies for their modest slaughter schedule. All of the USDA reporting regions are less than \$80/cwt., at the lower end of their recent trading ranges as packer operating margins are currently weak and meat traders anticipate further weakness into the holidays. Lean Hog futures came under pressure yesterday, with influence from the cash market and rumours of a sell-off by the funds ahead of next week. The commitments of traders report showed that the Large Speculator segment of traders had the largest long position of the year just two weeks ago, but has been selling out of this position, resulting in a bearish bias recently. The Canadian Dollar has been very strong against the US Dollar, but signs that US legislators may be making progress on a deal to avoid the "fiscal cliff" are influencing our currency lower this morning.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures opened lower across all offered contracts this morning. While export demand and domestic crush levels are supporting prices, daily data on the expanding South American crop is tempering a bullish tone. There is an expectation that the South American soybean harvest will cool the market in the medium to longer terms. Traders are cautious today as no updated export data will be released until Thursday.

**Canadian delivered corn prices opened lower this morning.** US corn futures have opened lower this morning. Consistently poor export demand and lower ethanol production estimates are contributing factors affecting nearby futures prices. As well, there are reports that snow is expected for the Corn Belt adding much needed moisture for the region and creating a potentially better crop outlook. There is a rumor that traders will be taking extended Christmas holiday vacations, in part due to corn's lacklustre performance as of late.

US Slaughter	
427,000	Monday
426,000	Monday (year ago)
W. Corn Belt	\$79.41
National Price	\$83.00
Daily Sig 3	\$143.24
Daily Sig 4	\$144.99
Thunder Creek	\$143.75
4-Month Fwd	\$148.77
#1 Export Sows (+500lbs) \$ 41.50 cwt.	
<b>B of C Ex. Rate (Noon)</b> \$0.9841 CAD/\$1.0161US	
<b>Cash Prices: Week Ending December 14, 2012</b>	
Signature 3	65.02/143.34
Signature 4	67.70/149.25
h@ms Cash	64.78/142.81
Hylife	65.47/144.33
Thunder Creek	69.40/153.00
ISO Weans	\$58.89 US Avg.
Feeder Pigs	\$64.59 US Avg.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		137.74 144.07	145.43 148.60	148.63 149.99	150.64 162.41	166.03 174.63	171.01 175.54	173.82 176.09	162.81 172.79	155.10 156.91
(Maple Leaf Sig. #4)		138.38 142.23	144.51 146.44	148.05 148.92	150.52 159.81	162.09 170.34	169.11 172.27	170.78 172.01	163.37 169.96	153.71 160.21
Soymeal Delivered	526	521	521	521	522					
Corn Delivered		287	287							

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Office	h@ms Holiday Schedule	Winnipeg Live Stock
8:00AM– 2PM	Dec. 24 (Mon.)	8:30AM – 12 noon
Closed	Dec. 25 & 26 (Tues. & Wed.)	Closed
8:00AM – 12 noon	Dec. 31 (Mon.)	8:30AM – 12 noon
Closed	Jan. 1 (Tues.)	Closed
Regular Business Hours	Dec. 27, 28 and Jan. 2-4	Regular Business Hours