



Hog Margin Outlook

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Monday, December 24, 2012

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

US Slaughter	
2.348 mil.	Last Week
2.156 mil.	Last Week (year ago)
W. Corn Belt	\$78.96
National Price	\$83.32
Daily Sig 3	\$143.89
Daily Sig 4	\$147.03
Thunder Creek	\$143.26
4-Month Fwd	\$157.01
#1 Export Sows (+500lbs)	\$ 41.50 cwt.
B of C Ex. Rate (Noon)	
\$0.9942 CAD/\$1.0058 USD	
Cash Prices: Week Ending December 21, 2012	
Signature 3	66.49/146.58
Signature 4	65.75/144.95
h@ms Cash	65.40/144.17
Hylife	63.80/140.66
Thunder Creek	64.68/142.60
ISO Weans	\$58.43 US Avg.
Feeder Pigs	\$65.82 US Avg.

Forward contract prices opened higher this morning.

US cash markets experienced a sharp decline in value late last week, with winter storms causing disruptions to many production and delivery schedules. Packers attempted to make up time on Saturday, but many plants already had a full schedule as they readied for this week's holiday. Lean Hog futures are expected to trade near steady today, as volume will be a fraction of a normal trading day with most traders taking the day off. However, Friday's USDA Hogs and Pigs report will have volume recover before the end of the week, as traders are looking to the report for any evidence of a contraction in the hog supply of 2013.

Canadian delivered soymeal prices opened higher this morning.

Nearby US soybean futures have opened modestly higher this morning in the wake of Friday's double digit gains and sustained export demand. However, a bearish tone is looming for a variety of reasons including: technical selling ahead of the Christmas Holiday, uncertainty as a result of the impending fiscal cliff, and improving weather in South America. Some expect harvesting to commence in Mato Grosso, a major Brazil soybean growing region, as early as January 15.

Canadian delivered corn prices opened lower this morning.

US corn futures have opened higher this morning. While the price of corn is still relatively high historically, the lower prices that materialized last week and rumors that South American harvests may not meet export demand is expected to initiate foreign interest. Despite this, China has imported about 54 percent less US corn than last year due to a huge domestic harvest, depressing nearby futures prices. Markets are closed tomorrow to mark the Christmas Holiday.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		150.40	152.49	154.76	169.24	174.27	178.52	165.14	157.35
		153.58	153.86	166.63	177.92	178.83	178.98	175.72	159.19
(Maple Leaf Sig. #4)		148.81	151.28	154.02	165.22	172.65	173.59	170.69	155.93
		150.75	152.16	163.39	173.53	175.48	174.83	172.82	162.49
Soymeal Delivered	510	510	510	511	511				
Corn Delivered	282	284	286						

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The staff of h@ms Marketing Services would like to extend holiday greetings to all producers and industry partners
Merry Christmas!