



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

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
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Friday, January 04, 2013

Forward contract prices opened lower this morning. US packers were in full production yesterday, with an estimated 430,000 hogs on the schedule. While hog supplies are usually abundant compared to the holiday reduced schedule, some plants may have difficulty meeting their needs due to producer and trucker holidays. Cash bids are trading in the middle of their recent range, but packer margins are tight, given that the pork cut-out is trading at \$82.70/cwt., only modestly higher than cash bids. Lean Hog futures traded slightly lower yesterday, and are opening this morning with a similar trend, in part due to low volumes. Traders are anticipating tomorrow's release of the 4th Quarter Hogs and Pigs report, which according to a Dow Jones survey of analysts, is expected to show modest declines in the breeding herd and all marketing categories.

US Slaughter	
425,000	Wednesday
434,000	Wednesday
W. Corn Belt	\$80.09
National Price	\$82.98
Daily Sig 3	\$145.53
Daily Sig 4	\$146.01
Thunder Creek	\$145.44
4-Month Fwd	\$156.26
#1 Export Sows (+500lbs) \$ 39.00 cwt.	
B of C Ex. Rate (Noon) \$0.9913 CAD/\$1.0087 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.

USDA Hogs & Pigs Report December 28, 2012	Analysts Estimates	
	Range	Average
Inventories on Dec. 1	Pct. of December 1, 2011	
All Hogs and Pigs	98.7 – 100.4	99.1
Kept for Breeding	99.1 – 99.5	99.3
Kept for Market	98.7 – 100.5	99.1

Source: Dow Jones Newswire, 2012

Canadian delivered soymeal prices opened lower this morning. US soybean futures opened higher this morning amid strong export data. Prices however remain in check on news the soybean harvest in Brazil is expected to start as early as January 15 with rumors the country could produce as much as 84.3 million tonnes. The USDA maintains an 81 million tonnes estimate thus far. Also keeping prices in check are further rumors of additional Chinese soybean cancellations.

Canadian delivered corn prices opened lower this morning. US corn futures have opened lower this morning across all offered contracts. US corn remains at a competitive price disadvantage with cheaper offerings from South America and the Ukraine. New crop corn is expected from Brazil in late February. There are reports that the Ukraine and China have made a \$3 billion USD "credit for crops" agreement that would see China extend credit to the Ukraine in exchange for corn.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		150.14	151.51	153.58	168.57	173.60	175.67	164.13	156.34	153.54
			153.34	152.88	165.46	177.26	178.17	177.96	174.39	158.18
(Maple Leaf Sig. #4)		148.57	150.34	152.88	164.57	171.65	172.60	164.70	154.95	154.11
			150.52	151.22	162.27	172.89	174.84	173.84	171.53	161.51
Soymeal Delivered	507	507	507	508	508					
Corn Delivered	279	281	283							

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Office	h@ms Holiday Schedule	Winnipeg Live Stock
Regular Business Hours	Dec. 27 (Thurs.)	Regular Business Hours
Regular Business Hours	Dec. 28 (Fri.)	Regular Business Hours
8:00AM – 12 noon	Dec. 31 (Mon.)	8:30AM – 12 noon
Closed	Jan. 1 (Tues.)	Closed
Regular Business Hours	Jan. 2-4	Regular Business Hours