



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

Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, January 02, 2013

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Forward contract prices opened lower this morning.

US cash markets are resuming trade with weaker bids as packers continue to work through a backlog from last week's holiday reduced slaughter schedule. Also contributing to lower cash bids is poor packer profitability, which stems from stagnant pork primal cut values. Earlier this week, summer month futures dipped to their lowest levels in months after the Hogs and Pigs report failed to show any sign of a reduction in supplies. These contracts are unlikely to see much support over the next few days as funds are expected to start trimming their huge net long position by selling some of their April and June contracts. The Canadian Dollar moved sharply higher this morning, responding to news that a deal had been made to avoid the US 'Fiscal Cliff'. US Lawmakers found agreement to avoid a large tax hike and spending cuts that would have been a blow to the US economy, resulting in stronger markets to start 2013.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures opened higher this morning and meal futures lower. There was no overnight trading due to the New Year holiday. Rumours of better than average yields in the early days of South American harvest are pressuring prices. Although demand remains strong, analysts are anticipating a decrease in US soybean export pace.

Canadian delivered corn prices opened mixed this morning.

US Corn futures opened higher this morning. The combination of poor export demand for corn, stable demand from ethanol producers and better than expected feed usage is resulting in a slightly bullish set up for prices. Analysts are anticipating next week's Grain Stocks and Supply and Demand report to confirm as much. A degree of confidence has returned to markets on news the US Congress passed measures effectively avoiding the 'Fiscal Cliff'.

US Slaughter	
357,000	Monday
5,000	Monday (year ago)
W. Corn Belt	\$81.24
National Price	\$83.28
Daily Sig 3	\$148.15
Daily Sig 4	\$147.07
Thunder Creek	\$148.35
4-Month Fwd	\$152.63
#1 Export Sows (+500lbs)	\$ 40.50 cwt.
B of C Ex. Rate (Noon)	
\$0.9949 CAD/\$1.0051 USD	
Cash Prices: Week Ending	
December 28, 2012	
Signature 3	66.11/145.75
Signature 4	66.45/146.50
h@ms Cash	65.29/143.94
Hylife	64.61/142.43
Thunder Creek	66.36/146.30
ISO Weans	\$59.49 US Avg.
Feeder Pigs	\$70.90 US Avg.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		146.78	147.18	148.91	163.55	168.53	170.92	160.16	152.45	149.80
		149.94	149.89	160.69	172.15	173.06	173.18	170.05	154.26	153.90
(Maple Leaf Sig. #4)		145.29	147.77	148.68	160.04	167.06	168.32	161.15	151.49	150.80
		147.21	148.65	157.97	168.28	170.21	169.55	167.65	157.99	153.26
Soymeal Delivered	482	482	482	482	482					
Corn Delivered	283	285	287							

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