



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, January 07, 2013

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

US Slaughter	
1.975 mil.	Last Week
2.064 mil.	Last Week (year ago)
W. Corn Belt	\$83.68
National Price	\$83.83
Daily Sig 3	\$151.18
Daily Sig 4	\$146.66
Thunder Creek	\$151.52
4-Month Fwd	\$155.25
#1 Export Sows (+500lbs)	\$ 40.50 cwt.
B of C Ex. Rate (Noon)	
\$0.9856 CAD/\$1.0146 USD	
Cash Prices: Week Ending January 4, 2013	
Signature 3	66.79/147.25
Signature 4	66.42/146.43
h@ms Cash	65.74/144.93
Hylife	64.71/142.67
Thunder Creek	66.72/147.10
ISO Weans	\$59.82 US Avg.
Feeder Pigs	\$70.87 US Avg.

Forward contract prices opened lower this morning.

US cash markets are called to open higher this morning as there are rumors that some packers are already finding supplies tight after two holiday reduced slaughter schedules. Last week's slaughter was estimated at 1.975 million head, close to 100k head fewer than the same week last year, but still 300k smaller than what is projected for this week. A rally in various pork primal cuts lead to strength in the pork cut-out, with the volume of loads contributing to optimism in the cash market. However, futures traders remain somewhat cautious as the February contract is holding a modest \$3.00/cwt. premium to the cash market. Summer month contracts are not expected to see much price action, with the market still digesting the results of most recent Hogs and Pigs Report. Near term contracts could see pressure if hedge funds start to liquidate some of their long position as they did last year at this time.

Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher this morning following activity in the overnight session. Prices have 'bounced' as traders cover their short positions despite a market looking increasingly bearish. There are reports of more US export cancellations, favourable estimates for the South American crop and a general shift in demand to SA leading to a US export slowdown. Despite this, the USDA reports that export sales are at 84% (15% higher than the 5-year average at this time) and note that only 162,000 tonnes/week in sales are needed to reach forecast estimates.

Canadian delivered corn prices opened mixed this morning.

US corn futures opened higher across all offered contracts this morning. Although corn has struggled against poor export demand, firm cash markets amid tight domestic supply is propping up prices. As well, there are rumors that farmers and commercial elevators have been storing the grain amid the price decline last week, thus offering support. The WASDE Report will be released this Friday and some analysts are expecting an export demand below 1 billion bushels.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		148.89	149.03	150.23	164.83	169.82	171.99	161.73	154.00	151.38
		151.15	151.29	162.02	173.44	174.35	174.26	171.72	155.82	155.48
(Maple Leaf Sig. #4)		147.51	149.14	149.96	161.28	168.31	169.36	162.68	153.00	152.33
		148.38	150.01	159.27	169.54	171.47	170.60	169.28	159.51	154.80
Soymeal Delivered	469	469	469	470	470	470				
Corn Delivered	280	280	282							

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

