



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, January 16, 2013

Forward contract prices opened lower this morning.

US cash markets are expected to trade steady this morning, with packer demand being maintained despite the current negative operating margins. The pork cut-out, as reported through the USDA's voluntary price reporting system, has been near steady, with tight supplies offsetting a lull in demand. However, the USDA started publishing pork cut price data from its mandatory system earlier this week, representing prices from one week ago. The initial comparison between the two systems revealed a \$3.00/cwt. difference, with the volume of transactions reported on the mandatory system close to 6 times larger than the voluntary. It will take a number of months to determine the relationship between prices of the two systems, but the addition of this data brings with it greater transparency that is appreciated by most participants in the hog industry. Lean Hog futures are trading near steady with yesterday levels, with little evidence of significant fund selling in the nearby contracts.

Canadian delivered soymeal prices opened higher this morning.

US soybean futures opened higher this morning. Support comes from commercial buying, continued strong demand for US beans, and reports that the weather in South America is drier. However, analysts are quick to point out that the dry weather is not indicative of a problem just yet and identify that crop analysts have not yet revised estimates. Nonetheless, the market favours the bulls despite being kept in check, partly as a result of lowered global economic expectations.

Canadian delivered corn prices opened lower this morning.

US corn futures opened higher this morning. Primary support comes from increased feed demand estimates and a relatively tight domestic supply; some further support comes from modest increases in demand from the ethanol production sector. Markets have reacted to SA weather news and there is talk that reports of dry weather are 'spooking' the market. However, gains remain limited as a result of continued weak export demand.

US Slaughter	
431,000	Tuesday
469,000	Tuesday (year ago)
W. Corn Belt	\$82.92
National Price	\$85.13
Daily Sig 3	\$149.55
Daily Sig 4	\$148.68
Thunder Creek	\$151.93
4-Month Fwd	\$153.14
#1 Export Sows (+500lbs)	\$ 39.50 cwt.
B of C Ex. Rate (Noon)	
\$0.9839 CAD/\$1.0163 USD	
Cash Prices: Week Ending January 11, 2013	
Signature 3	68.02/149.95
Signature 4	67.06/147.85
h@ms Cash	66.38/146.35
Hylife	65.59/144.60
Thunder Creek	67.40/148.60
ISO Weans	\$57.28 US Avg.
Feeder Pigs	\$72.61 US Avg.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		149.03	144.82	146.48	161.22	166.21	169.09	160.36	152.64	149.92
		149.48	147.53	158.26	169.83	170.74	171.36	169.36	154.45	154.02
(Maple Leaf Sig. #4)		146.42	145.49	146.32	157.79	164.81	166.56	161.36	151.68	150.91
		146.77	146.37	155.63	166.04	167.97	167.79	167.00	158.20	153.39
Soymeal Delivered	486	486	486	484	484	484				
Corn Delivered	290	292	294							

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.



NEW ROSEDALE FEEDMILL

New Rosedale Feed Mill Suppliers Day Producers are Invited!

Friday February 15, 2013 11:00AM-4:00PM
Supplier/Industry Demonstrations and Displays.
Door prizes and lunch provided.

Contact Stan or Tim at 204-252-2053 for more information.

