



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

# Hog Margin Outlook

Meeting Your Marketing Needs

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<http://hamsmarketing.ca>

Monday, February 04, 2013

**Forward contract prices opened lower this morning.** US cash markets are starting the week steady, as packers are competing for live supplies, but doing so knowing that their operating margins are deep in the red. Last week's slaughter of 2.176 came in higher than what was anticipated, with cold weather having little impact on marketings. The slaughter was 2% larger than the same week one year ago and inconsistent with the USDA's latest supply projections that pegged market hog supplies near steady with year ago levels. Lean Hog futures traders are hesitant to build an average premium into the April contract over the current cash market given the poor operating margins that packers are dealing with. However, futures may be positively influenced by the cattle complex that is moving higher based on the results of Friday's USDA Cattle Inventory report, which showed inventory down 1.6% from last year. The Canadian Dollar is trading near steady against the US Dollar, but renewed political instability in the Euro Zone, could trigger a new bullish trend.

US Slaughter	
2.176 mil.	Last Week
2.131 mil.	Last Week (year ago)
W. Corn Belt	\$88.34
National Price	\$88.79
Daily Sig 3	\$161.72
Daily Sig 4	\$157.37
Thunder Creek	\$162.82
4-Month Fwd	\$160.30
#1 Export Sows (+500lbs)	\$ 35.50 cwt.

h@ms 2013 Annual District Meetings		
Manitoba	Date and Time	Location
Manitoba West & H.B. Marketing District (joint-meeting)	Tues. Feb. 19 @ 1:30 PM	The Glesby Centre - 11 2nd St. NE, Portage la Prairie
Manitoba East	Fri. Feb. 22 @ 12:00 Noon	Smitty's Restaurant - Clear Spring Mall, Steinbach
Heartland Marketing District	Thurs. Feb. 28 @ 1:30PM	Starbuck Community Hall - 25 Main Street, Starbuck
Saskatchewan	Date and Time	Location
Swift Current	Tues. Mar. 5 @ 12:00 Noon	Wong's Kitchen - 320 S Service Road East, Swift Current
Saskatoon	Tues. Mar. 5 @ 6:00 PM	Sandman Hotel - 310 Circle Drive West, Saskatoon

<b>B of C Ex. Rate (Noon)</b> \$0.9987 CAD/\$1.0013 USD	
<b>Cash Prices: Week Ending February 01, 2013</b>	
Signature 3	71.99/158.70
Signature 4	71.52/157.68
h@ms Cash	70.84/156.18
Hylife	70.12/154.59
Thunder Creek	72.03/158.80
ISO Weans	\$54.61 US Avg.
Feeder Pigs	\$76.08 US Avg.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher this morning. Rain showers in Argentina this weekend were lighter than expectations and there is no rain forecast for the next week. Almost 40% of the crop area is in need of moisture. Brazil production estimates remain largely unchanged but too much rain there is slowing the harvest. Generally, the bulls are favoured in the short term while the longer term has a bearish tone; Argentina faces production estimate cuts while Brazil is on pace for record levels.

**Canadian delivered corn prices opened lower this morning.** US corn futures opened higher this morning. There are reports that up to 8 ethanol plants could be shut down due negative margins due to the high price of corn. As supplies are tight, this should have a weakening effect on prices. However, South American weather remains the prime market influence and the outlook is bullish in the short term. Traders will look forward the WASDE Report scheduled to be released this Friday.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		150.46	150.33	164.70	169.75	172.89	164.41	156.61	154.00
		151.37	162.26	173.42	174.34	175.18	172.89	158.45	158.15
(Maple Leaf Sig. #4)		149.25	150.11	161.18	168.29	170.26	165.34	155.57	154.93
		150.13	159.53	169.53	171.49	171.50	170.44	162.14	157.42
Soymeal Delivered	515	515	514	514	514	514			
Corn Delivered	303	303	305						

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**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.

