



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, February 08, 2013

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

| US Slaughter | |
|--|------------------------|
| 422,000 | Thursday |
| 419,000 | Thursday (year ago) |
| W. Corn Belt | \$84.97 |
| National Price | \$90.32 |
| Daily Sig 3 | \$155.64 |
| Daily Sig 4 | \$160.20 |
| Thunder Creek | \$155.29 |
| 4-Month Fwd | \$156.67 |
| #1 Export Sows (+500lbs) \$ 36.50 cwt. | |
| B of C Ex. Rate (Noon) \$0.9993 CAD/\$1.0007 USD | |
| Cash Prices: Week Ending February 08, 2013 | |
| Signature 3 | 72.52/159.87 |
| Signature 4 | 71.85/158.40 |
| h@ms Cash | 71.17/156.90 |
| Hylife | 70.98/156.48 |
| Thunder Creek | 72.30/159.40 |
| ISO Weans | \$54.61 US Avg. |
| Feeder Pigs | \$76.08 US Avg. |

Forward contract prices opened higher this morning. US cash markets continue to erode under the pressure of weak pork product prices and the resulting poor meat margins. Cash markets are down by close to \$4.00/cwt. from last week, reflecting the weakness in the pork cut-out. Pork bellies experienced the most dramatic drop of the primal cuts, falling 13% from last week, returning prices to levels comparable to year ago. Packers are being pressured and are unlikely to maintain cash bids at current levels unless a recovery in wholesale pork prices is seen. Lean Hog futures have experienced direct influence from the cash market, with the summer month contracts losing \$5.00/cwt. over the last two weeks. While the outlook for the summer cash market has not fundamentally changed, traders have concerns of where the starting point of a spring rally would be. The cash market needs to overcome this uncertainty before contemplating any further gains. The Canadian Dollar is contributing positively to our forward prices, dropping about half a cent this morning despite a decline in December's trade deficit.

| 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 |

Canadian delivered soymeal prices opened lower this morning. US soybean futures opened higher this morning. Short term support is a function of strong export demand and Brazilian port delays amid further rumors of workers striking over wages. The Buenos Aries Grain Exchange has not yet revised production estimates below 50 mmt but this is expected if weather does not improve; 50 mmt were produced in Argentina in 2009. Analysts expect further demand on the US supply which could push stocks to their lowest levels in 48 years.

Canadian delivered corn prices opened mixed this morning. US corn futures opened higher this morning. The trade remains sluggish while export demand is meagre and ethanol production shifts downward. The WASDE Report will be released later but the market is expecting no radical departure from previous estimates. Argentine production variability is believed to already be factored into prices but any estimate below 26 mmt would be viewed a bullish in the short term. New crop corn is bearish on the strength of all South American production.

| Fixed Forward Range | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
|----------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| (Maple Leaf Sig. #3) | | 144.74 147.50 | 146.47 158.44 | 159.88 168.62 | 164.94 169.54 | 167.75 170.05 | 161.48 168.34 | 153.65 155.49 | 147.70 155.10 | 138.73 144.74 |
| (Maple Leaf Sig. #4) | | 145.95 146.83 | 146.83 156.28 | 157.22 165.60 | 164.35 167.56 | 166.01 167.26 | 162.53 166.59 | 152.72 159.32 | 150.01 154.49 | 140.97 147.60 |
| Soymeal Delivered | 514 | 514 | 516 | 516 | 516 | 516 | | | | |
| Corn Delivered | 296 | 296 | 300 | 300 | | | | | | |

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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.

