



Hog Margin Outlook

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Tuesday, February 12, 2013

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

US Slaughter	
416,000	Monday
419,000	Monday (year ago)
W. Corn Belt	\$83.19
National Price	\$89.45
Daily Sig 3	\$153.48
Daily Sig 4	\$159.81
Thunder Creek	\$153.01
4-Month Fwd	\$157.33
1 Export Sows (+500lbs) \$ 37.00 cwt.	
B of C Ex. Rate (Noon) \$1.0065 CAD/\$0.9935 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	\$52.12 US Avg.
Feeder Pigs	\$80.27 US Avg.

Forward contract prices opened lower this morning. US cash markets are trading lower again this morning following yesterday's lower cash bids. Packers are attempting to get a handle on their operating margins that have been negative for more than a month. The pork product market has been softer than many had anticipated, possibly due to a reduction in pork exports. Exports in December were down 13% from the previous year, with weakness experienced in sales to Japan, China, South Korea and Russia, which together make up the majority of US exports. However, exports to Mexico were higher by about 15%, offsetting some of the declines experienced in Asia. Currently, the April Lean Hog contracts is trading at a discount to the cash market index, which is a factor that is supportive to the spring and summer futures. The Canadian Dollar is trading about a half a cent lower than parity with the US Dollar after weaker employment and housing data was released last week.

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. Analysts are attributing this recent 'bounce' to technical trading supports. Soybeans settled on the 40-day moving average despite Friday's WASDE Report and improved precipitation forecasts for South America. The longer term is viewed as bearish; assuming normal weather patterns this year, the USDA is forecasting the second largest US soybean crop on record at 3.335 billion bu.

Canadian delivered corn prices opened lower this morning. US corn futures opened lower this morning. The downward trajectory is a function of Friday's WASDE Report which reported higher than estimated global production estimates. Estimates were also higher for South America despite recent weather issues. Improved precipitation forecasts for both Argentina and the USA are influencing a further decline in US corn markets for the eighth straight session, noted as the longest decline in corn futures since 2010.

Fixed Forward Range	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
(Maple Leaf Sig. #3)		144.29 147.05	145.91 157.89	159.12 167.88	164.19 168.80	167.45 169.77	160.95 167.82	153.06 154.91	146.07 153.47	137.56 143.57
(Maple Leaf Sig. #4)		145.96 146.41	146.29 155.75	156.50 164.89	163.64 166.85	165.75 167.01	162.06 166.11	152.17 158.83	148.44 152.92	138.22 146.47
Soymeal Delivered	485	485	487	487	487	491				
Corn Delivered	291	293	295							

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WINNIPEG LIVESTOCK
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