

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

# Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, February 15, 2013

**Forward contract prices opened lower this morning.** US cash markets are finishing the week about \$2.00/cwt. lower than where they started, pressured by poor operating margins and no decrease in the available supply. The pork-out sunk to its lowest level in nearly 2 months, with all of the primal cuts losing value over the last week. Spring and summer month Lean Hog futures have been unable to avoid declines with the cash market under significant pressure recently. Currently, the June futures are holding only a \$5.00 premium to the current cash market, which is approximately half of the normal premium seen at this time of year. Remarkably, in 2011 and 2012 the futures were trading at a premium of \$18 and \$12 over the cash market. Please note that the Risk Management department is closed on Monday, February 18th in observance of Louis Riel Day/Family Day.

US Slaughter	
418,000	Thursday
422,000	Thursday (year ago)
W. Corn Belt	\$82.34
National Price	\$88.17
Daily Sig 3	\$151.05
Daily Sig 4	\$156.63
Thunder Creek	\$150.97
4-Month Fwd	\$158.50
1 Export Sows (+500lbs)	\$ 37.00 cwt.
<b>B of C Ex. Rate (Noon)</b>	
\$1.0008 CAD/\$0.9992 USD	
<b>Cash Prices: Week Ending February 15, 2013</b>	
Signature 3	69.58/153.40
Signature 4	71.92/158.55
h@ms Cash	71.24/157.05
Hylife	n/a
Thunder Creek	71.99/158.70
ISO Weans	\$52.12 US Avg.
Feeder Pigs	\$80.27 US Avg.

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 soybean prices opened higher this morning.** US soybean futures opened higher this morning. Strength in export demand for US wheat is pulling up other crop commodities. However, upside potential remains limited by weather issues in the areas affected by last years' US drought. A 'weather event' in Argentina will be closely watched this weekend; production estimates currently range between 50 mmt (Buenos Aires Grain Exchange) and 53 mmt (USDA) but there are reports that some private estimates are as low as 48 mmt.

**Canadian delivered corn prices opened higher this morning.** US corn futures have opened higher this morning. As with soybeans, strength in US wheat is seen as supportive for corn. As well, there are rumors that traders are taking advantage of the new 'lows' in US corn resulting in technical buying ahead of the upcoming US long weekend. Brazil's weather remains largely favourable and production estimates are mostly unchanged but, Argentine weather continues to influence market analyses.

Fixed Forward Range	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Maple Leaf Sig. #3)			142.76 154.80	156.89 165.69	161.99 166.62	164.71 167.03	157.99 165.26	150.10 151.95	143.69 151.12	135.33 141.36	140.44 140.90
(Maple Leaf Sig. #4)			143.27 152.77	154.35 162.78	161.53 164.76	163.09 164.35	159.19 163.63	150.02 155.96	146.16 150.65	136.08 144.36	138.42 142.02
Soymeal Delivered	482	485	485	485	485	486					
Corn Delivered	291	293	295								

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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.

