



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

Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, February 22, 2013

Forward contract prices opened lower this morning. US cash markets continued their bearish trend in trade yesterday, but the pork cut-out has provided a glimmer of support. Wholesale pork prices, as reported under the voluntary system, strengthened by close to \$1.00/cwt. yesterday, allowing estimated packer operating margins to recover in positive territory. This is the first time in over a month that packers have received more for the pork than what they had paid for the live animal. Cash bids are expected to see positive influence from a winter storm moving across the Midwest, which is expected to slow marketings over the next few days. Lean Hog futures are being pressured by the weaker cash market and concerns over export markets. In particular, a recent report suggesting that China is seeking third party verification that all US pork is free of ractopamine is weighing on the market.

US Slaughter	
421,000	Wednesday
425,000	Wednesday (year ago)
W. Corn Belt	\$78.19
National Price	\$85.47
Daily Sig 3	\$145.66
Daily Sig 4	\$154.18
Thunder Creek	\$145.56
4-Month Fwd	\$159.11
1 Export Sows (+500lbs)	\$ 38.00 cwt.

h@ms 2013 Annual District Meeting Schedule		
District/Locale	Date and Time	Location
Manitoba East	Feb. 22 @ 12 Noon (Fri.)	Smitty's Restaurant - Clear Spring Mall, Steinbach
Heartland	Feb. 28 @ 1:30 PM (Thurs.)	Starbuck Community Hall - 25 Main Street, Starbuck
Swift Current	Mar. 5 @ 12:00 Noon (Tues.)	Wong's Kitchen - 320 S Service RD. E., Swift Current
Saskatoon	Mar. 5 @ 6:00 PM (Tues.)	Sandman Hotel - 310 Circle Dr. W., Saskatoon

B of C Ex. Rate (Noon) \$1.0163 CAD/\$0.9839 USD	
Cash Prices: Week Ending February 15, 2013	
Signature 3	69.58/153.40
Signature 4	71.92/158.55
h@ms Cash	71.24/157.05
Hylife	70.53/155.49
Thunder Creek	71.99/158.70
ISO Weans	\$48.39 US Avg.
Feeder Pigs	\$75.55 US Avg.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mixed. South American production estimates continue to vary; one private analyst revised Argentine production down to 49.6 from 51.6 mmt but, the USDA maintains a 53 mmt estimate. Regardless, it is widely viewed that reductions in the Argentine crop will be offset by gains in Brazil although markets are still very sensitive to SA weather news. There are long lineups at Brazilian ports which could be exacerbated by a looming port workers' strike expected as early as today.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower. Despite an uptick in ethanol production, corn usage for ethanol is below USDA demand estimates. There is rain forecast for Brazil, northern Argentina and the US Western Midwest next week providing much needed moisture to those regions. More general uncertainty is on the horizon as an imminent \$1.2 trillion in spending cuts in the US - called 'the sequester' - is feared could cost up to 700,000 jobs and stall economic growth.

Fixed Forward Range	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Maple Leaf Sig. #3)			141.26 153.43	157.08 165.97	162.23 166.91	167.05 167.52	158.28 165.74	150.31 152.19	150.13 151.54	135.82 141.92	140.99 141.46
(Maple Leaf Sig. #4)			142.77 152.38	155.46 163.62	162.35 165.62	164.13 165.40	160.08 164.67	150.28 156.81	147.29 151.84	137.34 145.71	139.71 143.35
Soymeal Delivered	522	522	525	525	525	526					
Corn Delivered	294	296	298								

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WINNIPEG LIVESTOCK
HWY #6 AND RD 236

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