



# Hog Margin Outlook

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Monday, March 25, 2013

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

US Slaughter	
2.176 mil.	Last Week
2.132 mil.	Last Week (year ago)
W. Corn Belt	\$70.09
National Price	\$76.44
Daily Sig 3	\$131.37
Daily Sig 4	\$138.73
Thunder Creek	\$131.97
4-Month Fwd	\$156.69
1 Export Sows (+500lbs)	\$ 52.00 cwt.
<b>B of C Ex. Rate (Noon)</b> \$1.0225 CAD/\$0.9779 USD	
<b>Cash Prices: Week Ending March 22, 2013</b>	
Signature 3	61.97/136.61
Signature 4	64.21/141.56
h@ms Cash	63.53/140.06
Hylife	61.44/135.45
Thunder Creek	63.05/139.00
ISO Weans	\$27.07 US Avg.
Feeder Pigs	\$58.15 US Avg.

## Forward contract prices opened lower this morning.

US cash markets are called to open higher to start the week after Friday's bids dropped to nearly \$70/cwt., the lowest level since September 2012. Cash bids continue to struggle as wholesale pork prices have experienced no seasonal support from Easter demand and have provided no incentive for packers to compete for the available supply. Further, there is little evidence that the export markets have stepped up to take advantage of the relatively low prices and provide some support. Lean hog futures however remain optimistic about the direction of the cash market over the next two months as reflected by the premium of \$12-\$14/cwt. that the May - Aug contracts hold to the current cash market. Beyond the bearish demand fundamentals of the meat market, speculative funds have been reducing their long position over the last several weeks, contributing to the weakness.

## 2013 Easter Forward Contracting Schedule

Date	Hours of Operation
March 29, 2013 (Fri.)	Closed - No Forward Contracting
March 31, 2013 (Mon.)	Regular Hours - Forward Contracting Available

## Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading lower. Bearish factors include favourable weather in South America and news that Paraguay is expected to approximately double its production over last year to 8 MMT. As well, there are rumors that Chinese demand is overstated in the short term. Acreage estimates ahead of Thursday's Grain Stocks report are slightly lower than previous estimations but analysts describe the trade as 'range bound' meaning no significant breakouts in the short term are anticipated ahead of the report.

## Canadian delivered corn prices opened lower this morning.

US corn futures are trading higher. Farmer selling has been reported, initiated in order to hedge old crop risk ahead of Thursday's Grain Stocks report. Private estimates ahead of the report suggest lower acreage than USDA estimates amid weather related planting delays in parts of Nebraska and Kansas, adding support. News that Cyprus has reached a bailout deal with the EU is adding confidence to commodity markets in general.

Fixed Forward Range	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Maple Leaf Sig. #3)	137.90 145.40	153.36 162.25	158.51 163.19	162.03 164.38	154.59 162.60	146.64 148.49	140.36 147.88	132.18 138.30	135.00 137.83
(Maple Leaf Sig. #4)	138.80 145.51	152.32 160.57	159.30 162.56	161.63 162.90	157.05 162.18	147.06 153.78	144.12 148.67	134.19 142.57	136.56 140.20
Soymeal Delivered	503	504	504	505	505	505			
Corn Delivered	306	308	310						

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WINNIPEG LIVESTOCK  
 HWY #6 AND RD 236

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