



Forward Pricing Program



ONTARIO PORK
MARKETING DIVISION

Ontario Pork Marketing Division is now offering a Lean Hog Only (LHO) Forward Pricing Program in addition to the Standard Forward Pricing Program.

BENEFITS

- Margin calls covered by Ontario Pork Marketing
- Producer can lift the hedge at any time, the default lift will be at the end of the delivery period
- No corresponding currency hedge – prices are quoted in U.S. dollars, using the Chicago Mercantile Exchange (CME) Lean Hog Futures quote
- Settlement can be made in either U.S. or Canadian funds (based on exchange rate at time hedge is lifted)

ELIGIBILITY

- Producers must have a signed Forward Pricing Contract
- Required to book full Lean Hog contracts (40,000 lbs or ~200 hogs)
- Volume limitations that apply in the standard futures program also apply for the Lean Hog Only program.
- Bookings in both the Standard and LHO programs are combined when calculating booking limits.
- Limitations based on historic volumes:

0 up to 4 months out		75%
4 up to 6 months out		50%
6+ months out		25%

- Once a producer lifts a hedge in the LHO program for a given delivery period, the volume for this specific delivery period is used up and cannot be rebooked

DELIVERY PERIODS

Lean Hog Only delivery periods align to CME Futures months as follows:

Hog Delivery Period	Corresponding CME Lean Hog Futures Month
January 16 to February 14	February
February 15 to March 15	April
March 16 to April 14	April
April 15 to May 15	May
May 16 to June 14	June
June 15 to July 15	July
July 16 to August 14	August
August 15 to September 15	October
September 16 to October 14	October
October 15 to November 15	December
November 16 to December 14	December
December 15 to January 15	February

COMPARE BOTH PROGRAMS

	Standard Futures	Lean Hog Only
Margin Calls	Covered by Ontario Pork	Covered by Ontario Pork
Price Presented in...	Canadian value (CAD/100 KG)	U.S. value (USD/100 lbs)
Eligibility - Min. % of est. sales	No minimum volume limits	Full LH contracts required (40,000 lbs)
Eligibility - Max. % of est. sales	75% (0-4 m), 50% (4-6 m), 25% (6+ m) (Combined volumes from both programs)	75% (0-4 m), 50% (4-6 m), 25% (6+ m) (Combined volumes from both programs)
Position Lifted	In delivery period when hogs ship	When producer decided to lift, up to end of delivery period. Once lifted, cannot rebook volume.
Settlement	Canadian funds	Canadian or U.S. Funds

CONTACT

Standard or Lean Hog Only Futures Contracts can be booked daily from 10:30 a.m – 1:20 p.m.
Futures Desk line 1-800-862-9001.

To learn more visit Oink.ca