

**Hog Prices:** ↑ **Soymeal:** ↑  
**Corn:** ↑ **Cdn Dollar:** ↑

# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, January 13, 2011

**Forward contract prices opened higher this morning.** The U.S. cash market is seeing upward movement after the USDA Report pushed corn prices sharply higher yesterday, and traders anticipate that producers will not slow production. Cold and snowy weather, along with a surge in loin prices is expected to underpin cash prices throughout the week. South Korea is continuing to cull hogs in an attempt to contain the outbreak of Foot and Mouth Disease. The expected shortage of animals could support better exports ahead, which is in agreement with the USDA Supply/Demand Report, which anticipates a 9.1% export increase. April and June lean hog futures rallied yesterday with April posting highs. The Canadian Dollar is continuing to trade well over par at U.S.\$1.010.

**Canadian delivered soymeal prices opened higher this morning.** Spillover support from corn, together with bullish revisions to forecasted supplies are working to push soybean prices higher today. U.S. weekly export sales data has shown that Chinese buying interest may be slowing, which could spark profit taking with prices holding at historically high levels.

**Canadian delivered corn prices opened higher this morning.** The corn market is trading higher as the market tries to slow demand for dwindling supplies, and encourage farmers to plant more corn acres in 2011. Yesterday's government Report lowered its predicted ending stocks, which were already at a 15-year low, for the 4<sup>th</sup> time. Weekly U.S. export sales were 507,500 tons, with Saudi Arabia being a top buyer.

US Slaughter	
416,000 – Wednesday's	
425,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$71.89
Western Corn Belt	\$71.60
Daily National Price	\$73.89
Daily Sig3(M.Leaf)	\$129.46
Daily Sig4(M.Leaf)	\$129.37
4-Month Fwd Avg	\$153.70
#1 Export Sows (+500lbs) \$38.65 cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9864CAD / \$1.0138US	
<b>Cash Prices: Week Ending January 7th, 2011</b>	
58.56/129.10 Signature #3	
58.46/128.89 Signature #4	
57.52/126.80 MPMC Cash	
55.62/122.61 Springhill	

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		141.79 142.70	144.37 148.00	148.83 158.85	162.39 165.58	163.31 169.22	166.10 167.92	153.79 164.95	150.14 151.06	147.39 150.59
(Maple Leaf Sig. #4)		139.06 140.29	144.02 145.95	146.33 153.38	157.13 160.31	161.19 163.83	161.64 163.23	155.28 160.40	148.22 150.16	146.71 147.60
Soymeal Delivered	430	434	437	445	445	446	446	454	457	438
Corn Delivered	254	254	256	258	260	262				



**Rothsay Animal Vegetable Feed Fat**

**\$813/tonne ↑ (2 – 19 mt)**

To place your order call 1-866-768-4729

\*Price quoted is FOB Southeast Manitoba

