



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
<http://hamsmarketing.ca>

Friday, January 14, 2011

Hog Prices: ↓ Soymeal: ↓
 Corn: ↓ Cdn Dollar: ↓

US Slaughter	
424,000 – Thursday's	
428,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$73.47
Western Corn Belt	\$73.37
Daily National Price	\$74.04
Daily Sig3(M.Leaf)	\$132.71
Daily Sig4(M.Leaf)	\$129.69
4-Month Fwd Avg	\$153.16
#1 Export Sows (+500lbs) \$38.65 cwt	
B of C Ex. Rate (Noon) \$0.9868CAD / \$1.0134US	
Cash Prices: Week Ending January 14th, 2011	
58.82/129.68 Signature #3	
58.70/129.42 Signature #4	
57.77/127.36 MPMC Cash	
55.97/123.40 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.

Forward contract prices opened lower this morning. U.S. cash markets are finishing the week higher as packers are competing for the tightening hog supply, while wholesale pork prices gain strength. The pork cut-out rallied out of its steady trend over the holidays to gain about \$5.00/cwt this week. However, futures were unable to maintain the large premium over the cash market as the nearby contracts have lost value compared to where they started the week. Lean hog futures have seen a surge of buying by hedge funds over the last several weeks, which contributed to the larger than average premium that these contracts hold over the cash market. Earlier this week, the Canadian Dollar reached the highest value seen in over two years, but weakened in response to lower commodity prices yesterday.

Canadian delivered soymeal prices opened lower this morning. Broad based selling of commodities and profit-taking are expected to weigh on prices this morning. Spillover pressure from crude oil futures, gold, and other grain markets is contributing to the bearish movement. News that China raised its bank reserve requirements has increased concern that the move will suppress demand and decrease prices.

Canadian delivered corn prices opened lower this morning. After rallying 6% over the last two days, corn prices are trading lower today. However, the long-term outlook for corn remains bullish, as end users of corn (producers and ethanol plants) compete for limited supplies. Rain forecasted for corn producing areas of Argentina is also putting pressure on prices.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		140.62 141.53	143.26 146.91	147.72 157.78	162.90 166.10	163.81 169.76	166.07 167.90	153.38 165.98	149.73 150.64	148.05 151.28
(Maple Leaf Sig. #4)		137.93 139.17	142.97 144.91	145.26 152.34	156.95 160.14	161.02 163.68	160.46 162.06	154.89 160.20	147.82 149.77	147.39 148.28
Soymeal Delivered	427	430	433	441	441	447	447	455	457	439
Corn Delivered	251	251	253	255	257	259				



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

