



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, February 04, 2011

Hog Prices: ↔ Soymeal: ↔

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
398,000 – Thursday's	
424,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$79.55
Western Corn Belt	\$79.55
Daily National Price	\$81.48
Daily Sig3(M.Leaf)	\$144.37
Daily Sig4(M.Leaf)	\$143.20
4-Month Fwd Avg	\$166.53
#1 Export Sows (+500lbs) \$38.50 cwt	
B of C Ex. Rate (Noon) \$0.9901CAD / \$1.0100US	
Cash Prices: Week Ending February 4th, 2011	
66.10/145.72 Signature #3	
64.33/141.82 Signature #4	
64.75/142.75 MPMC Cash	
63.05/139.01 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets are finishing the week sharply lower. Producers were forced to delay their deliveries earlier in the week due to the winter storm reschedule to meet the expanded Saturday slaughter schedule. Packers are expected to keep bids low until midway through next week, as they will find abundant supplies regardless of their bids. April lean hog futures were down close to \$3.00/cwt over the week with the weaker cash market providing most of the rationale. Summer month contracts held better than steady, indicating that traders are confident in the \$100/cwt price target for June's cash market. The Canadian Dollar climbed back to U.S.\$1.01, as fundamentals continue to favour Canada's economy over the U.S.

Canadian delivered soymeal prices opened steady this morning. The soybean market opened steady this morning after new highs during trade yesterday, sparked profit taking. As well, buyers appear cautious due to closures in both Malaysia and China for the Lunar New Year. Analysts remain optimistic that with continued moisture, Brazil will have a record soybean crop.

Canadian delivered corn prices opened higher this morning. A report from the U.S. Grains Council, an industry group, estimating that China will import as much as nine million metric tons of corn in 2011, is pushing prices higher this morning. China is currently projected to be short 10-15 million tons. As well, the USDA reported a sale of 101,000 metric tons to Japan yesterday.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		152.20 154.92	156.65 167.54	171.49 174.67	172.40 177.39	172.89 173.80	156.34 172.31	151.80 152.71	146.75 152.68	137.71 143.20
(Maple Leaf Sig. #4)		150.55 151.77	153.01 160.57	164.66 167.83	168.53 171.34	167.07 168.04	156.40 165.89	149.20 151.31	144.58 149.00	137.51 139.99
Soymeal Delivered	425	421	443	447	454	454	473	476	454	454
Corn Delivered	262	264	266	268	270					

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ELIE	Feb. 11	Veterans Hall, 24 Main St. E	BRANDON	Mar. 25	Assiniboine Community College
BRANDON AREA	Feb. 25	Souris River Colony	ELIE	Apr. 8	Veterans Hall, 24 Main St. E
ELIE	Mar. 11	Veterans Hall, 24 Main St. E	TUITION WILL BE PAID BY THE MANITOBA PORK COUNCIL		