

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

US Slaughter	
407,000 – Monday's	
385,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$81.47
Western Corn Belt	\$81.31
Daily National Price	\$85.29
Daily Sig3(M.Leaf)	\$147.33
Daily Sig4(M.Leaf)	\$149.65
4-Month Fwd Avg	\$172.25
#1 Export Sows (+500lbs) \$43.00cwt	
B of C Ex. Rate (Noon) \$0.9885CAD / \$1.0116US	
Cash Prices: Week Ending February 11th, 2011	
68.70/151.46 Signature #3	
66.18/145.90 Signature #4	
67.16/148.07 MPMC Cash	
65.57/144.55 Springhill	

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Hog Margin Outlook

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Tuesday, February 15, 2011

Forward contract prices opened higher this morning. U.S. cash markets are called steady this morning after packers have been significantly less aggressive in sourcing live supplies after their margins narrowed dramatically. Wholesale pork prices have found support from the specific primal cuts of loins and picnics that have not seen the same price strength in recent weeks as bellies and ribs. April lean hog contracts moved to have front month status, with February's expiration yesterday. Currently, the April futures are running at close to an \$8.00 premium to the cash market, close to double the average basis for this time of year. The impact on futures prices has been reluctant for the market to move higher without a comparable move in the cash market.

Canadian delivered soymeal prices opened lower this morning. An excellent supply outlook for Brazil and improved forecasts for Argentina is moving soybean prices lower today. As well, reports that China may have shifted their buying to South America helped to spark some selling. USDA news that major crop planted acreage in the U.S. could be 10 million acres this year is also working to put pressure on prices.

Canadian delivered corn prices opened higher this morning. Increased demand from Mexico, after a recent cold snap destroyed much of their crop, is providing support for corn prices. As well, news that the U.S. has sold 120,000 tons of corn to Egypt, for delivery in 2011, is also contributing to the bullish movement. Other supporting factors include a weaker U.S. Dollar and increases in energy markets.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		154.89 155.80	159.25 170.15	175.06 178.24	175.97 180.96	178.89 179.80	164.37 178.16	159.83 160.74	154.42 160.35	145.26 150.83
(Maple Leaf Sig. #4)		153.15 154.38	155.53 163.10	168.11 171.28	171.99 174.80	172.88 173.85	164.19 171.56	157.50 159.09	152.01 156.43	142.70 147.82
Soymeal Delivered	401	404	426	430	439	444	448	450	444	444
Corn Delivered	270	272	274	276	278					



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