



# Hog Margin Outlook

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Thursday, February 17, 2011

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
419,000 – Wednesday's	
426,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$77.47
Western Corn Belt	\$77.90
Daily National Price	\$84.83
Daily Sig3(M.Leaf)	\$140.72
Daily Sig4(M.Leaf)	\$148.39
4-Month Fwd Avg	\$169.37
#1 Export Sows (+500lbs)	\$43.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$0.9855CAD / \$1.0147US	
<b>Cash Prices: Week Ending February 11th, 2011</b>	
68.70/151.46 Signature #3	
66.18/145.90 Signature #4	
67.16/148.07 MPMC Cash	
65.57/144.55 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*

**Forward contract prices opened lower this morning.** U.S. cash markets continue to move downward this morning. Packers are offering lower bids as a result of sufficient supplies combined with a reduced slaughter schedule. This weekend's slaughter is projected to be considerably smaller than last weekend's 92,000 head, despite several plants being closed for Monday's Presidents Day Holiday. The April contract reached a new high yesterday; however, it finished nearly 300 points off of the peak. As well, the June contract reached a new all-time high of 103.82. The expectation that South Korea will continue to import large volumes of pork is limiting downside movement in the June contract. The Canadian Dollar opened at U.S.\$1.0139 this morning.

**Canadian delivered soymeal prices opened higher this morning.** After heavy losses yesterday, the soybean complex is trading higher on news that China, the world's largest soybean importer, may cut import taxes. The decrease would move the current soyoil import tax of 9% to 1%. Upside movement may be limited, however, as China continues to shift its focus to South America, where record production is expected.

**Canadian delivered corn prices opened higher this morning.** Corn prices are moving higher today as export demand remains strong. The USDA released news that Japan has purchased 101,600 tons of corn from the U.S. As well, reports that the Philippines bought 200,000 tons of feed wheat from Australia is seen as supportive for corn, as it is an indication of increased competition for corn on the world market.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		148.70 152.31	155.89 166.75	172.81 175.98	173.72 178.69	176.16 177.07	161.89 175.76	157.35 158.26	152.12 158.04	142.92 148.48
(Maple Leaf Sig. #4)		149.24 149.76	152.28 159.81	165.94 169.10	169.80 172.60	170.24 171.20	161.77 169.24	154.57 156.68	149.78 154.19	140.43 145.54
Soymeal Delivered	406	407	423	428	430	434	438	441	434	434
Corn Delivered	276	278	280	282	284					



## Rothsay Animal Vegetable Feed Fat

**\$818/tonne ↑ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

