



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, February 18, 2011

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

US Slaughter	
370,000 – Thursday's	
423,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$77.04
Western Corn Belt	\$77.15
Daily National Price	\$83.59
Daily Sig3(M.Leaf)	\$139.14
Daily Sig4(M.Leaf)	\$145.98
4-Month Fwd Avg	\$171.36
#1 Export Sows (+500lbs) \$43.00cwt	
B of C Ex. Rate (Noon) \$0.9839CAD / \$1.0164US	
Cash Prices: Week Ending February 18th, 2011	
65.44/144.27 Signature #3	
67.42/148.64 Signature #4	
65.03/143.36 MPMC Cash	
62.50/137.79 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 higher this morning. U.S. cash prices have fallen steadily over the week as packers cut back slightly on their production schedule, while some producers have increased their deliveries ahead of Monday's President's Day holiday. Operating margins have recovered to levels not seen for a month, as the pork cut-out is trading near \$90/cwt. Lean hog futures continue to find support largely from export related news. Traders see exports to Mexico, China and South Korea all posting double digit gains over the next several months. The Canadian Dollar is trading slightly higher this morning, as reports on January inflation for both the U.S. and Canada were near analysts' expectations at +1.6% and +2.3% respectively.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower this morning, correcting after yesterday's sharp gains. The decrease came as a result of news that China has raised its bank lending reserve ratio for the second time this year, in an attempt to curb inflation. China's cancellation of soybean deliveries is also contributing to the bearish movement.

Canadian delivered corn prices opened higher this morning. Another sale of corn totaling 156,100 tons to Mexico is contributing to the upward movement of corn this morning. As well, a weaker U.S. Dollar and increases in energy markets are also providing support for prices. Corn futures must remain high as they continue to fight for 2011 acres against soybeans and cotton.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		150.85 154.46	157.97 168.82	174.79 177.96	175.69 180.67	177.94 178.84	162.60 176.94	158.07 158.97	152.36 158.27	142.82 148.37
(Maple Leaf Sig. #4)		151.32 151.84	154.29 161.82	167.86 171.01	171.71 174.52	171.96 172.92	162.47 170.38	155.26 157.37	150.01 154.41	140.33 145.43
Soymeal Delivered	403	407	421	426	434	439	443	446	439	439
Corn Delivered	277	279	281	283	285					



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

