

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

US Slaughter	
422,000 – Tuesday's	
426,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$82.16
Western Corn Belt	\$82.03
Daily National Price	\$82.69
Daily Sig3(M.Leaf)	\$148.24
Daily Sig4(M.Leaf)	\$144.71
4-Month Fwd Avg	\$165.48
#1 Export Sows (+500lbs) \$44.75cwt	
B of C Ex. Rate (Noon) \$0.9859CAD / \$1.0143US	
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	

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Hog Margin Outlook

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Wednesday, February 23, 2011

Forward contract prices opened lower this morning. U.S. cash markets are opening higher this morning as packer operating margins have been strong, providing the incentive to compete for the finite supply of hogs. In addition, a winter storm that moved through a large swath of the U.S. Midwest has disrupted the delivery schedule of some packers, forcing them to be more aggressive in replacing those animals in the short term. Lean hog futures held up well in yesterday's trade as Cattle and other commodity markets dropped on a stronger U.S. Dollar and concerns that exports will be affected. Summer month contracts are maintaining a larger than average premium over the current cash market, largely explained by ideas of strong export sales of pork over the next several months.

Canadian delivered soymeal prices opened lower this morning. Stabilization after yesterday's sell-off has soybean prices trading slightly higher today. Political unrest in the Middle East was the cause for the sharp decline in prices yesterday, as futures traded the downside limit. Upward movement may be limited; however, as harvest conditions in South America remain positive.

Canadian delivered corn prices opened lower this morning. After dropping the limit yesterday on concerns about political upheaval in North Africa, corn futures are again trading lower. News that the E15 Bill, which allows more ethanol to be blended into gasoline, has been stopped by the U.S. government, and is expected to put pressure on prices, as less of the already tight supplies will go towards ethanol production.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		152.55	155.99	172.88	173.79	176.06	161.02	156.45	150.97	140.32
		152.55	166.95	176.08	178.82	176.98	175.42	157.36	156.93	145.92
(Maple Leaf Sig. #4)		150.02	152.38	166.00	169.89	170.14	160.98	153.71	148.68	137.93
		150.02	159.99	169.18	172.72	171.11	168.90	155.84	153.12	143.08
Soymeal Delivered	384	387	403	408	414	418	422	423	416	416
Corn Delivered	265	267	269	271	273					



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