



# Hog Margin Outlook

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Monday, February 28, 2011

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

US Slaughter	
2.108 Mill. – Last Week's	
2.159 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$81.66
Western Corn Belt	\$81.51
Daily National Price	\$83.28
Daily Sig3(M.Leaf)	\$146.55
Daily Sig4(M.Leaf)	\$145.00
4-Month Fwd Avg	\$163.42
#1 Export Sows (+500lbs)	\$44.75cwt
<b>B of C Ex. Rate (Noon)</b>	\$0.9809CAD / \$1.0195US
<b>Cash Prices: Week Ending February 25th, 2011</b>	
66.38/146.35 Signature #3	
65.77/145.00 Signature #4	
65.33/144.02 MPMC Cash	
63.51/140.02 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.** Cash markets finished last week with lower bids than where they started, and early week cash bids look to be following a similar trend. Producers had poor weather to contend with when delivering their animals, resulting in some plants running short of supplies. Lean hog futures are expected to stay trading in the range that they have been, as traders remain optimistic of further cash market strength, largely coming from the influence of export markets. However, summer month futures are holding the largest premium seen in 10 years, causing traders to limit further increases over the cash market. The Canadian Dollar is trading down from last week near U.S.\$1.02, among the highest our currency has traded in about three years.

DISTRICT MEETINGS	DATE	TIME	LOCATION	DISTRICT MEETINGS	DATE	TIME	LOCATION
Interlake East	1-Mar	1:30 PM	Oak Hammock Marsh	Southeast	4-Mar	12:00 PM	Steinbach- Smitty's Restaurant
Southwest	2-Mar	1:30 PM	Somerset Community Hall	HB Marketing	8-Mar	2:00 PM	Portage La Prairie Glesby Center
Northwest	2-Mar	7:00 PM	Neepawa Chicken Delight	Heartland Marketing	10-Mar	1:30 PM	Starbuck Community Hall
South Central	3-Mar	1:30 PM	Morris Big M Center	Saskatchewan	15-Mar	12:00 PM	Rosetown Elks Hall

**Canadian delivered soymeal prices opened lower this morning.** As yield prospects in South America continue to exceed expectations, traders are looking to reduce their risk exposure, driving soy prices lower today. Export demand is currently shifting to South America origins, which is also contributing to the bearish movement, despite weakness in the U.S. Dollar.

**Canadian delivered corn prices opened lower this morning.** Corn futures are working to correct themselves after Friday's sharp gains of 3.8%. The gains were prompted by USDA reports that weekly export sales totaled 1.5 million tons. Losses are expected to be limited by a lower U.S. Dollar, as well as by the need for corn to attract more acres for 2011.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		151.68 162.43	169.68 172.81	170.58 175.50	173.51 174.41	160.24 173.96	155.75 156.65	150.42 156.27	141.51 147.00	143.85 146.55
(Maple Leaf Sig. #4)		148.18 155.64	162.93 166.05	166.74 169.52	167.68 168.63	160.12 167.50	153.00 155.08	148.10 152.46	139.04 144.10	142.18 143.75
Soymeal Delivered	396	407	411	419	423	427	429	423	423	423
Corn Delivered	274	276	278	280						



## Rothsay Animal Vegetable Feed Fat

\$868/tonne ↑ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

