



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, March 04, 2011

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

US Slaughter	
421,000 – Thursday's	
426,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$81.06
Western Corn Belt	\$82.03
Daily National Price	\$83.99
Daily Sig3(M.Leaf)	\$146.56
Daily Sig4(M.Leaf)	\$145.31
4-Month Fwd Avg	\$161.50
#1 Export Sows (+500lbs) \$44.75cwt	
B of C Ex. Rate (Noon) \$0.9747CAD / \$1.0260US	
Cash Prices: Week Ending March 4th, 2011	
65.82/145.10 Signature #3	
65.79/145.04 Signature #4	
64.90/143.08 MPMC Cash	
62.85/138.56 Springhill	

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Forward contract prices opened lower this morning. U.S. cash markets are finishing the week narrowly mixed from last week's trade as packers have been disciplined in their buying strategies in an effort to maintain good operating margins. Packers have also been content to watch carcass weights move higher as their production increases with a limited increase in their variable costs. Late in the week, the pork cut-out came under pressure from weaker values for most of the primal cuts. Lean hog futures have been firm for most of this week, but are down about 4% from their highs put in two weeks ago. The Canadian Dollar is still trading near U.S.\$1.03, slightly lower than the three year highs. Firm economic fundamentals continue to support our currency especially when other developed countries continue to struggle.

DISTRICT MEETINGS	DATE	TIME	LOCATION
HB Marketing	8-Mar	2:00 PM	Portage La Prairie Glesby Center
Heartland Marketing	10-Mar	1:30 PM	Starbuck Community Hall
Saskatchewan	15-Mar	12:00 PM	Rosetown Elks Hall

Canadian delivered soymeal prices opened higher this morning. In addition to the continuing port worker strike, Argentina is experiencing other disruptions to trade. Argentina's federal tax agency reported that 3 multinational companies (ADM, Cargill Inc, and Toepfer Intl.) are to be suspended until back taxes that were reportedly evaded, are paid. As well, record high cotton prices are contributing to the bullish movement.

Canadian delivered corn prices opened higher this morning. Strength in crude oil prices are working to move corn futures higher today, along with continuing strong demand from domestic users, including livestock producers and ethanol manufacturers. As well, traders are already worried about the possibility of a delay in spring planting, due to a storm in the Midwest.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		147.94	167.96	168.85	172.76	159.70	155.23	150.08	142.44	144.78
		158.65	171.08	173.76	173.65	172.44	156.13	155.92	147.92	147.47
(Maple Leaf Sig. #4)		144.55	161.27	165.07	166.95	159.59	152.49	147.77	139.94	143.07
		151.99	164.38	167.83	167.90	166.03	154.56	152.11	144.98	144.63
Soymeal Delivered	405	416	420	428	433	437	439	433	425	425
Corn Delivered	281	283	285	287						

CONGRATULATIONS

Hyper Inc.

Winner of the February 2011 Sow and Boar Lottery