



Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, March 07, 2011

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
2.140 Mill. – Last Week's	
2.162 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$81.98
Western Corn Belt	\$81.43
Daily National Price	\$84.06
Daily Sig3(M.Leaf)	\$144.99
Daily Sig4(M.Leaf)	\$144.94
4-Month Fwd Avg	\$162.75
#1 Export Sows (+500lbs)	\$44.75cwt
B of C Ex. Rate (Noon)	\$0.9714CAD / \$1.0294US
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 expected to open firm this morning with most U.S. packers benefitting from good operating margins. Hog slaughter ran about 1% lower than year ago levels last week, but total pork production is still increasing. Producers have been holding on to their market hogs longer, resulting in an increase in average carcass weights to 208 pounds, this is a 2.5% increase over year ago levels. Lean hog futures are starting the week slightly higher as traders feel that last week's losses were sufficient to represent the currently flat cash market trend. Adding to the support is the firmer cattle trade, which is dealing with similar fundamentals as hogs with tight supplies, but a positive outlook for export sales.

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. Record high cotton prices, strength in crude oil and metal futures, and weakness in the U.S. Dollar are working to move soybean prices higher today. Ongoing concerns regarding the harvest in Brazil being delayed due to recent rains are also supportive as near term export demand may be shifted back to the U.S.

Canadian delivered corn prices opened higher this morning. Corn futures are trading higher today after private exporters sold 150,000 tons of U.S. corn to Mexico, after a freeze in February destroyed much of Mexico's crop. Surging crude oil prices are also contributing to the bullish movement, as they increase the profitability for production of ethanol. Ethanol exports, which are already at record highs, are expected to increase.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		149.15 157.62	168.08 171.20	168.97 173.88	173.01 173.90	159.33 172.38	155.75 156.65	150.28 156.10	141.89 147.36	144.22 146.91
(Maple Leaf Sig. #4)		145.81 151.68	161.38 164.49	165.18 167.94	166.58 168.14	160.09 165.98	152.99 155.07	147.95 152.29	139.40 144.43	142.52 144.08
Soymeal Delivered	404	412	417	423	428	432	434	428	419	419
Corn Delivered	279	281	283	285						

CONGRATULATIONS

Hyper Inc.

Winner of the February 2011 Sow and Boar Lottery