



Hog Margin Outlook

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Monday, April 18, 2011

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

US Slaughter	
2.028 Mill. – Last Week's	
2.018 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$91.82
Western Corn Belt	\$91.54
Daily National Price	\$92.94
Daily Sig3(M.Leaf)	\$161.33
Daily Sig4(M.Leaf)	\$158.62
4-Month Fwd Avg	\$167.27
#1 Export Sows (+500lbs)	\$46.50cwt
B of C Ex. Rate (Noon)	
\$0.9615CAD / \$1.0400US	
Cash Prices: Week Ending April 15th, 2011	
72.21/159.19 Signature #3	
70.56/155.55 Signature #4	
71.00/156.53 MPMC Cash	
70.50/155.42 Hylife	

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 steady this morning. U.S. cash markets are starting the week steady with last week, despite estimated packer margins running thinner than what is typically seen at this time of year. Last week's slaughter of 2.03 million hogs was larger than that of last year, and combined with the record large carcass weights, total pork production is up by 2.5%. There are still no signs of consumer concern over the price hike at the retail level, as domestic demand appears strong despite the 11% jump in prices. Lean hog futures are showing no obvious trends as speculators and hedgers weigh the bullish factors of a tight supply and excellent export demand against the already high prices that are reflected for the summer and fall month contracts. The Canadian Dollar is trading lower this morning, but is still within a cent from recent highs at U.S.\$1.0450.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading slightly higher this morning as weakness from increased competition from Brazil is offset by a tighter cash basis in the U.S. Traders are still focused on planting conditions in the U.S. as cool weather could shift corn acres to soybeans. Upside movement may be limited by a firm U.S. Dollar and weakness in crude oil futures.

Canadian delivered corn prices opened higher this morning. Continued flooding and cold conditions throughout the Corn Belt have traders worried about delayed seeding this spring. There is intense pressure for all parts of the U.S. to have high production, in order to replenish low ending stocks. Any indication of poor weather is likely to have a bullish impact on prices.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range (Maple Leaf Sig. #3)		170.34	168.12 173.00	172.14 173.02	163.95 173.56	160.39 161.28	154.88 160.67	145.97 151.41	146.95 150.96	146.63 152.44
(Maple Leaf Sig. #4)		165.72	166.58 169.33	168.41 169.53	166.09 169.36	158.85 160.92	153.43 157.92	143.94 149.12	147.22 148.77	143.81 147.45
Soymeal Delivered	366	369	385	389	402	403	390	400	400	
Corn Delivered	286	288	290	292						



Rothsay Animal Vegetable Feed Fat
\$993/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

