



Hog Margin Outlook

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Tuesday, April 19, 2011

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

US Slaughter	
389,000	– Monday's
402,000	– Monday's (year ago)
US Iowa/Sthrn MN	\$91.94
Western Corn Belt	\$91.55
Daily National Price	\$93.57
Daily Sig3(M.Leaf)	\$162.63
Daily Sig4(M.Leaf)	\$160.95
4-Month Fwd Avg	\$166.28
#1 Export Sows (+500lbs)	\$45.00cwt
B of C Ex. Rate (Noon)	
\$0.9691CAD / \$1.0319US	
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 lower this morning. Packers were cautious with their cash bids to start the week as operating margins have shrunk to near breakeven levels over the last two weeks. In an up trending market packers can afford to be more aggressive as they have confidence that they will be paying a lower price for the live hog than what they are paid for the pork. However, with cash prices pushing into record high territory some may be questioning the upside potential. Lean hog futures traded in its tightest range in months yesterday, indicating that traders of all types are growing more comfortable with prices for the June contract at \$101/cwt. The Canadian Dollar dipped well under U.S.\$1.03 yesterday on strength in the U.S. Dollar, but clawed its way back with support from commodity prices.

Canadian delivered soymeal prices opened mixed this morning. The soybean complex is trading mixed this morning as seeding concerns are providing support, while demand uncertainty limits any rally. Fears regarding grain stocks continue, especially after the USDA reported that 36% of winter wheat was rated as good to excellent, compared with 69% last year at this time.

Canadian delivered corn prices opened higher this morning. Corn futures are moving higher due to spillover support from wheat prices, and slower than expected planting progress. The Weekly Crop Progress Report showed corn plantings to be 7% complete in the U.S., compared to 3% the previous week. This is a decrease from 16% last year at this time, and the 10-year average of 10%.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range (Maple Leaf Sig. #3)		169.30	167.11 171.93	171.28 172.16	163.01 172.43	159.49 160.37	154.21 159.95	145.03 150.42	146.00 149.98	144.72 150.47
(Maple Leaf Sig. #4)		164.71	165.56 168.27	167.57 168.68	165.10 168.25	157.94 159.99	152.75 157.20	143.01 148.14	144.98 147.80	141.94 145.54
Soymeal Delivered	372	375	390	394	405	408	393	400	400	
Corn Delivered	287	289	291	293						



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

