



# Hog Margin Outlook

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Wednesday, May 04, 2011

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

<b>US Slaughter</b>	
409,000 – Tuesday's	
401,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$87.89
Western Corn Belt	\$87.68
Daily National Price	\$92.72
Daily Sig3(M.Leaf)	\$152.52
Daily Sig4(M.Leaf)	\$156.18
4-Month Fwd Avg	\$153.15
#1 Export Sows (+500lbs)	\$42.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$0.9490CAD / \$1.0537US	
<b>Cash Prices: Week Ending April 29th, 2011</b>	
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.** U.S. cash markets are expected to trade lower again this morning as packers are focused on returning their operating margins back to profitable territory. However, weakness in the pork cut-out has made it difficult for packers to make any real headway on their margin management. Yesterday's selloff in lean hog futures came as a surprise to many analysts as there was a key technical support level that had not been breached since January. Cash market weakness triggered yesterday's selloff, as traders could not reconcile the lower trend in both pork product and live hog prices against the nearby futures prices. The Canadian Dollar has not been phased by the recent downturn in commodity prices as it is trading higher than U.S.\$1.05 this morning.

**Canadian delivered soymeal prices opened lower this morning.** The soybean complex is moving lower due to expectations for some intended corn acres to shift to soybeans. Slowing export demand, particularly from China, excellent harvest results from South America, and reports that India and China are both working to curb inflation are also contributing to the bearish movement.

**Canadian delivered corn prices opened higher this morning.** A minor increase in planting pace has corn prices moving marginally higher this morning. Corn plantings as of Sunday were 13% complete, compared with the 10-year average of 43%. The lowest percentage on record is 6% from 1984. The slight downturn in corn prices has traders optimistic that China may re-enter the market.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		153.17	156.42	151.59	148.08	142.79	135.65	136.09	135.90	142.52
		156.24	157.30	159.23	148.96	148.52	140.50	140.06	142.08	144.28
(Maple Leaf Sig. #4)		151.98	153.69	154.88	147.73	142.54	134.26	136.23	135.62	141.60
		154.36	155.22	156.32	149.77	146.98	139.55	139.04	139.21	142.28
Soymeal Delivered	379	381	385	404	404	389	395	395		
Corn Delivered	287	289	291							



## Rothsay Animal Vegetable Feed Fat

**\$973/tonne ↓ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

