

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

<b>US Slaughter</b>	
406,000 — Tuesday's	
397,000 — Tuesday's (year ago)	
US Iowa/Sthrn MN	\$90.33
Western Corn Belt	\$89.42
Daily National Price	\$91.03
Daily Sig3(M.Leaf)	\$157.51
Daily Sig4(M.Leaf)	\$155.28
4-Month Fwd Avg	\$154.07
#1 Export Sows (+500lbs) \$43.50cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9610CAD / \$1.0406US	
<b>Cash Prices: Week Ending May 6th, 2011</b>	
70.79/156.06 Signature #3	
71.20/156.96 Signature #4	
70.10/154.54 MPMC Cash	
70.13/154.61 Hylife	

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# Hog Margin Outlook

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**Wednesday, May 11, 2011**

**Forward contract prices opened lower this morning.** Cash markets have found a support level near the \$90/cwt range, as packers have grown more optimistic that the price trend for primal pork products will hold at current levels. The price of most of the primal cuts have taken a downturn in recent weeks, calling into question the near record bids that packers were paying for live hogs. Yesterday's cash market strength translated directly into gains in the futures markets as traders were waiting for some indication of support. Summer month contracts are trading marginally higher this morning, but are still down nearly \$10/cwt from their highs of more than a month ago. All agricultural markets will see influence from the USDA's release of its Supply/Demand Report with most of the livestock results coming in near market expectations.

**Canadian delivered soymeal prices opened lower this morning.** In a surprise move, the USDA increased soybean ending stocks from 140 million bushels to 170 million, thereby putting pressure on soybean prices. As well, Brazil's production estimate was raised by 1 million, while Argentina's was left unchanged. The USDA also lowered their export estimate by 30 million bushels.

**Canadian delivered corn prices opened lower this morning.** An increase in projected domestic supplies in the U.S. has corn prices moving lower. The USDA estimated stocks to be at 730 million bushels, which is well above the April estimate of 675 million, and the average analyst estimate of 665 million. The higher supply estimate is suspected to have come as a result of lower exports.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		157.10	157.78	152.81	149.29	143.71	136.14	137.11	138.03	144.66
		157.98	158.66	160.11	150.17	149.43	141.51	141.07	144.22	146.43
(Maple Leaf Sig. #4)		154.85	155.01	156.06	148.91	143.43	135.24	137.20	137.69	143.68
		156.04	156.54	157.17	150.95	147.86	140.53	140.02	141.28	144.36
Soymeal Delivered	382	384	389	401	408	394	395	395		
Corn Delivered	267	269	271							



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