



Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, May 12, 2011

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

US Slaughter	
403,000	– Wednesday's
400,000	– Wednesday's (year ago)
US Iowa/Sthrn MN	\$90.14
Western Corn Belt	\$89.67
Daily National Price	\$91.17
Daily Sig3(M.Leaf)	\$157.49
Daily Sig4(M.Leaf)	\$155.06
4-Month Fwd Avg	\$155.08
#1 Export Sows (+500lbs)	\$43.50cwt
B of C Ex. Rate (Noon)	
\$0.9582CAD / \$1.0436US	
Cash Prices: Week Ending May 6th, 2011	
70.79/156.06	Signature #3
71.20/156.96	Signature #4
70.10/154.54	MPMC Cash
70.13/154.61	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 higher this morning. U.S. cash markets are trading steady to higher this morning as packers look to fill their slaughter schedules for next week. Seasonally tightened supplies along with expectations for improved grilling demand are also providing support for prices. Lean hog futures were seen to lose strength yesterday as corn went limit down due to an increase in projected supplies. Traders see lower corn prices as a reason to suspect higher pork production ahead. The USDA Supply/Demand Report has indicated a slight increase in production for 2011, and a 1.4% increase for 2012. Monthly pork exports for the month of March came in at a record high of 490.66 million pounds, which is up from 387 million pounds in February.

Canadian delivered soymeal prices opened lower this morning. A stronger U.S. Dollar along with decreases in precious metals, energy markets, and grain/oilseed futures has soybean prices moving lower this morning. Slower demand is also contributing to the defensive tone, with the USDA reporting export sales of 62,300 tons for the week ending May 5, well below analyst estimates of 75,000 to 125,000 tons.

Canadian delivered corn prices opened lower this morning. Corn prices continue to weaken along with crude oil futures, following limit-down losses yesterday. Larger than expected inventory projections, along with warmer temperatures in the Eastern and Southern Midwest are also working to put pressure on prices. Forecasts for more rain next week could limit downside movement.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		158.33	158.91	153.88	150.32	144.67	136.92	137.90	138.36	145.06
		159.21	159.80	160.78	151.21	150.46	142.36	141.91	144.61	146.85
(Maple Leaf Sig. #4)		156.06	157.33	157.19	149.96	144.41	136.04	138.03	138.05	144.10
		157.27	157.68	157.85	152.02	148.89	141.39	140.87	141.68	144.80
Soymeal Delivered	384	386	390	404	403	391	391	391		
Corn Delivered	265	267	269							



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

