



# Hog Margin Outlook

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Monday, May 16, 2011

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

US Slaughter	
1.978 Mill. – Last Week's	
1.958 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$92.29
Western Corn Belt	\$91.83
Daily National Price	\$91.54
Daily Sig3(M.Leaf)	\$163.43
Daily Sig4(M.Leaf)	\$157.76
4-Month Fwd Avg	\$157.04
#1 Export Sows (+500lbs)	\$43.50cwt
<b>B of C Ex. Rate (Noon)</b>	\$0.9709CAD / \$1.0300US
<b>Cash Prices: Week Ending May 13th, 2011</b>	
71.44/157.50 Signature #3	
70.65/155.76 Signature #4	
70.45/155.32 MPMC Cash	
69.89/154.08 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.** US cash markets are called to open steady to higher this morning as packers are anticipating a competitive week as live hog supplies continue to tighten while pork prices appear to have stabilized. Last week's slaughter was estimated to be 25,000 hogs short of 2 million, but still about 1% larger than year ago levels. Nearby Lean Hog futures are called to open near steady as last week's strength has built in a small premium over the current cash market. Inflation estimates were released on Friday, showing an annualized rate of 3.2% for April, but have had limited impact on markets. However, meat prices were shown to be a driver of food price inflation with a 10% price increase over last year.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex is moving higher in an effort to follow corn and wheat prices, both of which found support from ongoing concerns regarding seeding in the Midwest. Flooding in the south could work to lower soybean plantings, further tightening the supply situation. Upside movement could be limited by decreasing crude oil prices.

**Canadian delivered corn prices opened higher this morning.** Forecasts for rain and cool temperatures in the Midwest are providing support for corn prices as currently low inventories were counting on a large crop to replenish stocks. Traders are predicting that planting is now 60% complete, compared to 40% last week. The USDA will be releasing their Crop Progress Report at 4p.m. today.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		161.71 162.60	160.61 161.51	156.69 163.29	153.11 154.01	147.66 153.47	140.32 145.78	141.30 145.33	140.66 146.94	147.39 149.19
(Maple Leaf Sig. #4)		159.35 159.69	157.78 159.34	159.25 160.29	152.68 154.75	147.32 151.82	139.35 144.72	141.34 144.20	140.29 143.95	146.38 147.08
Soymeal Delivered	390	391	396	411	411	396	400	400		
Corn Delivered	276	278	280							



**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

