



# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit  
<http://hamsmarketing.ca>

Tuesday, May 17, 2011

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

| US Slaughter                                       |                          |
|--|--------------------------|
| 393,000  | — Monday's               |
| 391,000  | — Monday's<br>(year ago) |
| US Iowa/Sthrn MN                                   | \$93.47                  |
| Western Corn Belt                                  | \$93.00                  |
| Daily National Price                               | \$91.89                  |
| Daily Sig3(M.Leaf)                                 | \$165.41                 |
| Daily Sig4(M.Leaf)                                 | \$158.26                 |
| 4-Month Fwd Avg                                    | \$155.23                 |
| #1 Export Sows (+500lbs)                           | \$43.75cwt               |
| <b>B of C Ex. Rate (Noon)</b>                      |                          |
| \$0.9703CAD / \$1.0306US                           |                          |
| <b>Cash Prices: Week Ending<br/>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.** U.S. cash markets are trading higher this morning as packers are less cautious of giving up their margin when wholesale pork prices are on the rise. In fact, the carcass cut-out was valued at \$98.31/cwt, up close to \$3.00 from Friday's price. This dramatic turnaround in the wholesale price trend has resulted in record high prices where packers are benefactors. The primal cut that has had the largest impact on the cut-out recently is the loin, with grilling and export demand pushing this cut higher. Lean hog futures are factoring in renewed optimism, but nearby contracts are still down \$10/cwt from their highs close to two months ago. The Canadian Dollar hit its lowest level since March on pressure from crude oil and a more bearish outlook on the economy by the Bank of Canada.

**Canadian delivered soymeal prices opened higher this morning.** Soybean prices are moving higher after the USDA reported that planting is 22% complete, below the average of 31% for this time of year. The Eastern Midwest is lagging behind with Indiana only 6% complete and Ohio 3% complete, compared to their averages of 30% and 44% respectively. Forecasts for rain are expected to further delay seeding.

**Canadian delivered corn prices opened higher this morning.** In yesterday's Crop Progress Report, the USDA estimated that 63% of the corn crop was in the ground, compared to the 75% average. The Eastern Midwest remains behind, with planting only 7% complete in Ohio, compared to the 70% average. Planting delays are expected to have a major negative impact on yields.

|   | May | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    |
|---|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range<br>(Maple Leaf Sig. #3) |     | 160.31 | 158.96 | 154.48 | 150.90 | 145.83 | 138.41 | 139.40 | 139.61 | 146.38 |
|   |     | 161.21 | 159.86 | 161.34 | 151.79 | 151.68 | 143.90 | 143.45 | 145.93 | 148.18 |
| (Maple Leaf Sig. #4)                        |     | 158.01 | 156.19 | 157.37 | 150.55 | 145.58 | 137.52 | 139.52 | 139.30 | 145.42 |
|   |     | 158.36 | 157.75 | 158.41 | 152.63 | 150.11 | 142.93 | 142.40 | 142.97 | 146.12 |
| Soymeal Delivered                           | 390 | 393    | 397    | 408    | 409    | 395    | 398    | 398    |        |        |
| 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

