



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
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Friday, June 10, 2011

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

| US Slaughter | |
|---|----------|
| 397,000 – Thursday's | |
| 408,000 – Thursday's (year ago) | |
| US Iowa/Sthrn MN | \$89.74 |
| Western Corn Belt | \$89.59 |
| Daily National Price | \$90.02 |
| Daily Sig3(M.Leaf) | \$159.82 |
| Daily Sig4(M.Leaf) | \$155.50 |
| 4-Month Fwd Avg | \$154.20 |
| #1 Export Sows (+500lbs) \$42.50cwt | |
| B of C Ex. Rate (Noon) \$0.9732CAD / \$1.0275US | |
| Cash Prices: Week Ending June 10th, 2011 | |
| 71.20/156.96 Signature #3 | |
| 71.19/156.94 Signature #4 | |
| 70.40/155.21 MPMC Cash | |
| UNAVAILABLE 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 mixed this morning. U.S. cash markets were stronger in yesterday's trade, fuelled by tight supplies and packers that are unwilling to cut back on their slaughter schedule. This week's slaughter is estimated at slightly over two million pigs, a number that continues to exceed what was forecasted for this timeframe. Lean hog futures have had a strong week, with significant gains in all 2011 contracts. There is little fundamental support for these gains as packers still need to overcome the lack of any positive margins, which are still a feature of the current cash market. Late fall prices compare favorably to the current cash market as the discount that is built into this period is close to half as large as is typical for this time of year. As a result, recent gains in the fall and winter contracts should be viewed as a pricing opportunity for those producers who have limited protection to date.

Canadian delivered soymeal prices opened lower this morning. Soybean futures maintained their downward movement this morning, as they continue to correct from recent highs on USDA data showing increased estimates for year-end inventories. Downside movement may be limited as flooding along the Missouri River could disrupt grain transportation and shut down some crushing plants.

Canadian delivered corn prices opened lower this morning. After reaching a new, all-time high yesterday on sharp decreases in government outlooks for the 2011 harvest, corn prices are moving downward due to profit taking. The wider view for corn is that strong global demand, combined with less than hoped for supplies will push prices higher over the coming months.

| | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 159.64 161.88 | 153.46 158.83 | 151.79 152.69 | 146.83 152.69 | 142.51 148.00 | 143.50 147.55 | 144.83 152.04 | 151.59 154.75 | 151.10 153.36 |
| (Maple Leaf Sig. #4) | | 158.67 159.53 | 156.76 159.40 | 152.63 153.93 | 147.42 151.96 | 142.19 147.25 | 144.19 146.90 | 145.05 149.07 | 151.34 153.05 | 152.17 153.22 |
| Soymeal Delivered | 417 | 417 | 416 | 421 | 407 | 411 | 411 | | | |
| Corn Delivered | 306 | 308 | 308 | | | | | | | |



Rothsay Animal Vegetable Feed Fat

\$1,025/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

