



Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, June 14, 2011

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

US Slaughter	
393,000	— Monday's
397,000	— Monday's (year ago)
US Iowa/Sthrn MN	\$89.24
Western Corn Belt	\$89.13
Daily National Price	\$90.61
Daily Sig3(M.Leaf)	\$159.76
Daily Sig4(M.Leaf)	\$157.28
4-Month Fwd Avg	\$152.10
#1 Export Sows (+500lbs)	\$40.50cwt
B of C Ex. Rate (Noon)	
\$0.9779CAD / \$1.0226US	
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
70.09/154.53	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 lower this morning. Estimated packer margins are back in the black after the pork cut-out rallied and packer bids moved lower. Typically at this time of year, packers have profitable margins over \$12.00 per hog, and remain disciplined in their buying programs in an attempt to protect against chronically poor margins. This year's ample hog numbers have had some packers resist cutting their slaughter hours, forcing a more competitive environment for all. Futures traders are trying to reconcile news of expanded import quotas into South Korea against the lackluster demand that characterizes the domestic market. The Canadian Dollar continues to hold in a relatively tight trading range in spite of growing evidence of slower global economic growth.

Canadian delivered soymeal prices opened lower this morning. Strong planting progress in the U.S. is working to put pressure on soybean prices today. The USDA reported that the crop was 87% planted as of Sunday, which is up 68% from the week earlier, and just below the average of 89% for this time of year. As well, the USDA rated 67% of the emerged crop as good to excellent.

Canadian delivered corn prices opened lower this morning. Enhanced growing conditions throughout the Midwest and better than expected crop data have corn prices moving lower. According to the USDA, 69% of the crop is rated as good to excellent, which is up from 67% last week. As well, planting was reported to be 99% complete as of Sunday, which is on par with the 5-year average.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		160.49 161.38	152.97 158.31	151.07 151.96	145.64 151.43	141.01 146.44	141.99 146.00	145.15 152.36	151.91 155.06	151.10 153.35
(Maple Leaf Sig. #4)		157.48 157.48	155.88 158.17	151.11 153.00	145.78 150.27	140.17 145.35	142.07 145.18	144.57 148.67	150.51 152.43	151.64 152.34
Soymeal Delivered	411	411	412	418	409	414	14			
Corn Delivered	303	305	305							



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

