



Hog Margin Outlook

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Wednesday, June 15, 2011

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

US Slaughter	
407,000 – Tuesday's	
393,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$89.24
Western Corn Belt	\$89.22
Daily National Price	\$90.82
Daily Sig3(M.Leaf)	\$158.41
Daily Sig4(M.Leaf)	\$156.14
4-Month Fwd Avg	\$154.60
#1 Export Sows (+500lbs)	\$40.50cwt
B of C Ex. Rate (Noon)	
\$0.9686CAD / \$1.0324US	
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 mixed this morning. U.S. cash markets traded steady in yesterday's trade while today's bids look firmer as we start to see packers secure supplies for a Saturday kill. Between the value of the pork primal cuts and the drop value, packers are close to meeting their variable costs, but this is not sustainable in the long term. At some point some packers will have to look at cutting hours from their slaughter schedule as the available supply of hogs continues to tighten and carcass weights decline. Lean hog futures have seen a stable trend recently, but technical analysis reflects some weakness, which could put recent gains at risk. Fourth Quarter forward contract prices are now only 5% - 7% off their highs that were put in just over two months ago.

Canadian delivered soymeal prices opened lower this morning. Soybean futures are moving lower because of strength in the U.S. Dollar and slower export demand. Favorable crop outlooks are also providing pressure, with 64% of the crop emerged as of Sunday. Concern regarding persistent rains in the Northern Plains, and lost acres due to flooding along the Missouri River could limit downside movement.

Canadian delivered corn prices opened lower this morning. A shift to favorable growing conditions is working to put pressure on prices as the two week forecast throughout the Midwest lacks threatening weather. As well, Monday's USDA Crop Progress Report stated that corn was 91% emerged as of Sunday, which is up from 79% last week, but slightly below the 96% average.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		163.02	156.77	153.42	147.96	142.02	143.01	144.01	150.74	149.88
		163.91	162.13	154.31	153.78	147.48	147.03	151.19	153.88	152.12
(Maple Leaf Sig. #4)		159.93	159.59	153.40	148.05	141.17	143.07	143.45	149.36	150.43
		159.93	160.49	155.30	152.55	146.37	146.19	147.53	151.22	151.13
Soymeal Delivered	403	403	404	409	400	403	403			
Corn Delivered	301	303	303							



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

