

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

<b>US Slaughter</b>	
387,000 — Monday's	
373,000 — Monday's (year ago)	
US Iowa/Sthrn MN	\$95.74
Western Corn Belt	\$95.45
Daily National Price	\$93.50
Daily Sig3(M.Leaf)	\$171.20
Daily Sig4(M.Leaf)	\$162.39
4-Month Fwd Avg	\$156.67
#1 Export Sows (+500lbs) \$41.00cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9785CAD / \$1.0220US	
<b>Cash Prices: Week Ending June 17th, 2011</b>	
74.41/164.04 Signature #3	
71.58/157.81 Signature #4	
72.91/160.73 H@ms Cash	
71.34/157.27 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*

# Hog Margin Outlook

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**Tuesday, June 21, 2011**

**Forward contract prices opened higher this morning.** U.S. cash market prices opened the week higher yesterday with support coming from an improved pork cut-out value. Wholesale pork prices have made strong gains in the last week, returning the pork cut-out to near its highest level put in over a month ago and over 12% higher than last year. Packers are using the gains to bid the cash market higher, which has resulted in a continuation of thin operating margins. In the futures, the stronger cash market triggered a \$1.50/cwt rally in all remaining 2011 contracts. Going into the latter half of the week, traders will start to focus on Friday's Hogs and Pigs Report. Packers will be interested in what the USDA will peg near term market hogs supplies, which could change their recent aggressive strategy. Producers will be more focused on the Kept for Breeding category, which early projections peg at 100% of year ago levels.

**Canadian delivered soymeal prices opened higher this morning.** Soybean prices are continuing to recover after last week's sharp decreases. A change in weather forecasts are also contributing to the bullish movement, as a high pressure ridge expanding over the Western Midwest is expected to bring a lengthy hot and dry period. Losses in the U.S. Dollar are also buoying prices.

**Canadian delivered corn prices opened higher this morning.** Corn futures opened higher as concerns regarding Greece's debt crisis are subsiding. Demand for corn remains strong, as buyers continue to take advantage of last week's sell-off, with Japan purchasing 300,000 tons. Providing some pressure on prices, the USDA announced 70% of corn to be rated as good to excellent, up from 69% last week.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		170.22	159.78 167.46	156.21 157.10	150.66 156.47	143.59 149.05	144.58 148.60	145.17 152.37	151.92 155.07	150.66 152.91
(Maple Leaf Sig. #4)		165.53	162.94 164.32	155.85 157.92	150.74 154.89	142.69 147.88	144.59 147.79	144.59 148.69	150.52 152.00	148.77 151.91
Soymeal Delivered	395	395	400	408	402	403	403			
Corn Delivered	296	298	298							



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