



# Hog Margin Outlook

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Thursday, June 23, 2011

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

<b>US Slaughter</b>	
400,000 – Wednesday's	
399,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$101.65
Western Corn Belt	\$101.49
Daily National Price	\$96.84
Daily Sig3(M.Leaf)	\$180.93
Daily Sig4(M.Leaf)	\$167.18
4-Month Fwd Avg	\$155.20
#1 Export Sows (+500lbs) \$41.00cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9726CAD / \$1.0282US	
<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	

**Forward contract prices opened lower this morning.** U.S. cash markets gained another \$1.00/cwt yesterday, on top of Tuesday's \$5.00/cwt increase as supplies continue to fall short of packer needs. Lean hog futures moved downward yesterday, as ideas that the monthly Cold Storage Report might show a slowdown in demand due to higher prices. The Report, which was released yesterday after trading, showed total pork stocks to be 545 million pounds for the end of May, which is up 22% from last year, and down 1% from last month. Frozen pork supplies typically decrease 6% during May, so having only a 1% decline is considered to be a negative factor. Wholesale pork prices came in at \$96.91, which is the highest price seen since May 18. Analysts are anticipating very little changes in supply in tomorrow's Hogs and Pig Report as higher feed costs have been offset by sharply higher hog prices.

**Canadian delivered soymeal prices opened lower this morning.** Strong gains in the U.S. Dollar are pushing soybean prices lower this morning. Export demand is also contributing to the bearish movement, with the USDA reporting the cancellation of a sale of 452,500 tons for delivery in the 2010/2011 marketing year. Prices are still expected to hold within recent trading ranges due to weather uncertainty for this year's crop.

**Canadian delivered corn prices opened lower this morning.** Corn futures are extending their losses from a six-week low today, after dropping the 30 cent limit yesterday due to heavy selling. The increasing U.S. Dollar and tumbling crude oil prices are pushing prices downward. As well, the USDA reported that weekly export sales dropped 41% to 531,100 tons.

*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*

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		169.63	158.23 166.03	154.62 155.53	148.99 154.85	141.65 147.15	142.64 146.70	142.73 149.97	149.52 152.69	149.03 151.29
(Maple Leaf Sig. #4)		164.97	161.51 162.96	154.36 156.45	149.17 153.36	140.83 146.08	142.76 145.99	142.60 146.37	148.21 150.45	147.21 150.36
Soymeal Delivered	384	384	389	396	394	390	390			
Corn Delivered	289	291	291							



## Rothsay Animal Vegetable Feed Fat

\$1,005/tonne ↓ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

