



Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, August 31, 2011

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

US Slaughter	
413,000—Tuesday's	
400,000 –Tuesday's (year ago)	
US Iowa/Sthrn MN	\$87.81
Western Corn Belt	\$87.88
Daily National Price \$97.03	
Daily Sig3(M.Leaf)	\$157.75
Daily Sig4(M.Leaf)	\$168.66
4-Month Fwd Avg	\$142.21
#1 Export Sows (+500lbs) \$55.50 cwt	
B of C Ex. Rate (Noon) \$0.9793 CAD / \$1.0211 US	
Cash Prices: Week Ending August 26th, 2011	
78.66/173.42 Signature #3	
81.15/178.90 Signature #4	
78.38/172.79 H@ms Cash	
79.69/175.69 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. U.S. cash markets continue their lower trend this morning, pressured by ballooning supplies and demand that appears steady at best. In spite of the cash market losses seen over the last two weeks, the declines are still in line with seasonal norms, if not one week early. However, the pork cut-out is losing value at a quicker than expected pace, which could be indicating that purchases from China are slowing. Forward contract prices still represent fair value in the context of the normal seasonal trend. However, the risk of downside appears limited due to the expectation of corn prices sustaining levels higher than \$7.00/bushel for the foreseeable future. The Canadian Dollar appears to be on a slow trend higher, as risk aversion around the world slowly abates.

Canadian delivered soymeal prices opened mixed this morning. Soybean supply concerns remain, the dry trend is continuing. Light rains for the weekend in the Midwest are expected, but some areas will likely not get the rain, thus sustaining crop distress. The only weather break the crops are getting is lower temperatures.

Canadian delivered corn prices opened lower this morning. Corn yields are a concern; the summer weather has been hot and dry. The USDA is set to issue crop forecasts on September 12th. Ratings in crops from good to excellent are down; Iowa is down to 59%, down four percent from last week.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		143.67 150.84	136.95 142.87	137.94 142.42	140.48 147.63	147.19 151.00	149.21 151.44	151.37 160.85	164.91 168.51
(Maple Leaf Sig. #4)		144.51 148.85	137.31 142.43	139.91 141.99	141.06 144.87	146.95 151.07	147.95 151.07	150.43 157.94	162.40 167.81
Soymeal Delivered	418	420	429	429	439				
Corn Delivered	300								

Rothsay Animal Vegetable Feed Fat

\$945 tonne ↓ (2 – 19 mt)

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

