

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

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
<http://hamsmarketing.ca>

Wednesday, March 14, 2012

Forward contract prices opened mixed this morning. U.S. cash markets are still in a holding pattern, with no significant change in prices over the last several weeks. Packer operating margins are estimated at a loss of about \$2.00, without considering any operating costs or the value of by-products sold. However, the value of export sales are not captured in this equation, which would have a positive influence on packer margins. The USDA released export sales volumes of pork in January, which were 36% higher than year ago levels. All of the major export destinations showed improvement, with China's exports coming in at 156% over January of 2011, but down 10% from December. Anecdotal evidence suggests that business to China has slowed significantly since January, which has contributed to the bearish trend seen in Lean Hog futures. The Canadian Dollar is trading slightly higher this morning, at close to US\$1.01.

| US Slaughter | |
|--|----------|
| 419,000 – Tuesday's | |
| 421,000 – Tuesday's (year ago) | |
| Western Corn Belt | \$85.49 |
| Daily National Price | \$87.24 |
| Daily Sig3(M.Leaf) | \$155.21 |
| Daily Sig4(M.Leaf) | \$153.38 |
| 4-Month Fwd Avg | \$162.57 |
| #1 Export Sows (+500lbs) \$50.25cwt | |
| B of C Ex. Rate (Noon) \$0.9905AD / \$1.0096US | |
| Cash Prices: Week Ending March 9th, 2012 | |
| 70.84/156.18 Signature #3 | |
| 70.15/154.65 Signature #4 | |
| 69.76/153.80 h@ms Cash | |
| 68.74/151.55 Hylife | |
| ISO Weans \$41-58.50US | |
| Feeder Pigs \$73-86US | |

2012 Annual District Meetings

| Manitoba | Date | Time | Location |
|---------------------------------|-------------|---------|---|
| South Central District - Morris | Wed, Mar 14 | 1:30 PM | Morris Big M Centre; Stampede Grounds, Morris |

Canadian delivered soymeal prices opened lower this morning. Shipping delays in Argentina, along with their reduced supply look to push demand to U.S. soybeans. Consequently U.S. prices could be sustained due to the increased export business they attract. Southern Brazil is having dry finishing weather, which may further decrease their supply.

Canadian delivered corn prices opened lower this morning. Corn is supported by tight cash markets and concerns that U.S. corn supplies were overstated by the USDA. Private exporters noted a sale of 240,000 metric tons of U.S. corn to "unknown destinations", speculation is that it is destined for China. Corn has been seeing a rally, to be sustained there needs to be more purchases.

| | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
|--|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 151.48 159.21 | 161.66 165.75 | 161.21 167.57 | 167.69 168.61 | 160.62 170.22 | 155.50 155.96 | 148.35 155.19 | 139.26 144.28 | 141.09 145.19 |
| (Maple Leaf Sig. #4) | | 149.68 156.46 | 159.10 163.15 | 162.27 165.44 | 165.40 166.29 | 161.20 167.40 | 155.01 159.52 | 146.48 153.90 | 139.45 144.57 | 139.45 145.28 |
| Soymeal Delivered | 404 | 406 | 407 | 411 | 411 | 419 | 415 | | | |
| Corn Delivered | 274 | 276 | 272 | | | | | | | |

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Rothsay Animal Vegetable Feed Fat
\$840 tonne ↓ (2 – 19 mt)

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

