



September 7, 2012

Dear Member:

In the last two weeks hog prices have decreased significantly and over the next several weeks will likely drop even further. At the same time feed prices, largely due to drought conditions in the U.S., have risen to record levels.

Losses in our industry are estimated at an average of \$30.00 per hog over the next six months. It is believed by May 2013 prices will recover to levels that will again be profitable. Producers can ill afford to take losses of this magnitude and are looking at ways to minimize losses or avoid them completely. h@ms Marketing Services has met with the Manitoba Pork Council to discuss the implications on both the production and processing sectors.

Producer organizations are meeting with all levels of Government to apprise them of the situation and to request some assistance for hog producers. Last week a meeting was held with Federal Agriculture Minister Ritz and as a result a Task Force has been formed to look at potential ways to provide assistance to producers. One of the messages that came through loud and clear is producers cannot afford to take on more debt.

I am fairly optimistic that there will be some form of assistance to bridge producers until the market recovers. I am however, uncertain of the timing but believe that by the middle of September we could at least have an announcement that will provide producers with hope, keep the bankers at bay and prevent more animals from being euthanized.

In the meantime, we strongly urge you to contact your local MLA and bring him/her up to speed with the developments and the urgency in which the Government needs to deal with this matter.

Sincerely,

A handwritten signature in black ink that reads "Bradley Rodgers".

Bradley Rodgers
President,
h@ms Marketing Services Co-op Inc.

A handwritten signature in black ink that reads "Perry Mohr".

Perry Mohr
General Manager,
h@ms Marketing Services Co-op Inc.