

Hog Margin Outlook

Meeting Your Marketing Needs

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www.mpmc.mb.ca & www.spimg.ca

Wednesday, August 11, 2010

Hog Prices: ↓ Soymeal: ↔

Corn: ↑ Cdn Dollar: ↓

US Slaughter	
406,000 – Tuesday's	
428,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$78.46
Western Corn Belt	\$78.32
Daily National Price	\$83.81
Daily Sig3(M.Leaf)	\$148.56
Daily Sig4(M.Leaf)	\$153.94
4-Month Fwd Avg	\$132.31
#1 Export Sows (+500lbs) \$53.00 cwt	
B of C Ex. Rate (Noon) \$1.0348CAD / \$0.9664US	
Cash Prices: Week Ending August 6th, 2010	
69.95/154.22 Signature #3	
69.02/152.17 Signature #4	
68.70/151.46 MPMC Cash	
67.15/148.03 Springhill	

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Forward contract prices opened lower this morning. U.S. cash markets are trading lower this morning with hog supplies growing more abundant and hog weights continuing their trend well above year ago levels. The carcass cut-out dropped more than \$2.50/cwt yesterday with weakness in bellies and hams having the largest impact. Interestingly, wholesale pork prices will become more transparent due to a modification made to the Mandatory Price Reporting Law in the U.S. Wholesale pork prices are among the largest factors that determine what packers are willing to pay for the live animal. Lean hog futures bucked the cash market fundamentals by rallying yesterday, largely due to technical indicators suggesting that the market was oversold after a week's worth of losses.

Canadian delivered soymeal prices opened steady this morning. The soybean complex is trading steady this morning as gains in the U.S. Dollar and weaker crude oil prices compete with a strong export demand from China. However, prices may move downward as USDA estimates for soybean yields are reaching 43.2 bushels/acre, resulting in a total estimate of 3.366 billion bushels.

Canadian delivered corn prices opened higher this morning. Corn markets opened steady to higher this morning as a result of strong export demand, and spillover support from rallying wheat prices. Gains are expected to be limited; however, as traders anticipate record corn yield estimates to be announced by the USDA on Thursday.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		138.93	135.09	126.12	126.04	128.45	136.63	134.12	136.04	147.55
		139.89	138.45	133.80	130.92	136.14	138.55	137.97	147.93	149.46
(Maple Leaf Sig. #4)		137.87	133.88	125.39	126.32	128.76	134.91	132.68	133.85	143.62
		139.09	136.48	132.45	131.89	133.24	136.22	136.22	141.78	144.91
Estimated Hog Margin		16.07	14.08	9.92	10.78	12.91	17.29	16.90	21.07	26.58
Soymeal Delivered	373	376	350	350	350	350	350	350	352	352
Corn Delivered	166	168	170	172	174	176	174			



Rothsay Animal Vegetable Feed Fat

\$578/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

