

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
www.mpmc.mb.ca & www.spimg.ca

Friday, August 13, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↑

US Slaughter	
390,000 – Thursday's	
429,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$80.86
Western Corn Belt	\$80.61
Daily National Price	\$82.32
Daily Sig3(M.Leaf)	\$154.17
Daily Sig4(M.Leaf)	\$152.46
4-Month Fwd Avg	\$134.16
#1 Export Sows (+500lbs) \$53.00 cwt	
B of C Ex. Rate (Noon) \$1.0434CAD / \$.9584US	
Cash Prices: Week Ending August 13th, 2010	
68.60/151.23 Signature #3	
69.68/153.62 Signature #4	
67.85/149.58 MPMC Cash	
64.97/143.23 Springhill	

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Forward contract prices opened higher this morning. U.S. cash markets are finishing the week higher as tighter hog supplies and wholesale pork prices have both contributed to the gains. One U.S. plant was down yesterday, but intends to make up their lost production tomorrow, as operating margins remain strong. The carcass cut-out, priced around \$90/cwt continues to hold bids for live hogs steady, despite the more ample supply of hogs. The stronger cash market has had a positive impact on fall and winter months futures, as they trade at a relatively small discount to the cash market, and close to 20% higher than last year. A weaker Canadian Dollar contributed to firmer forward contract prices, but the loonie remains in the middle of the price range of the last several months.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher after USDA forecasts for record yields this year were offset by further increases in usage estimates. With 8% more blooming acres, and 19% more acres setting pods compared to last year, the tight supply situation (due to larger exports and crushing) is being counterbalanced.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning despite the USDA announcement that they are expecting the largest average national corn yield in history at 165 bu./acre (compared to 164.7 bu./acre in 2009). A 5% increase in export projections, according to the USDA, due to the Russian drought, is contributing to the bullish movement.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		140.60	136.79	127.97	128.26	130.66	138.81	136.13	140.20	151.99
		141.55	140.12	135.59	132.73	138.33	140.73	139.96	152.24	153.92
(Maple Leaf Sig. #4)		139.56	135.50	127.15	128.07	130.89	137.02	134.60	137.91	147.93
		140.67	138.09	134.16	133.60	135.35	138.32	138.13	145.94	149.24
Estimated Hog Margin		16.07	14.08	9.92	10.78	12.91	17.29	16.90	21.07	26.58
Soymeal Delivered	383	386	362	362	362	354	359	359	359	359
Corn Delivered	172	174	176	178	180	182	180			



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

