

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, August 17, 2010

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

Forward contract prices opened higher this morning. Cash markets are making small gains again this morning as packers are finding live hog supplies tighter than expected, while wholesale pork prices are providing a strong incentive to increase production. The lower production combined with tighter pork supplies have contributed to the carcass cut-out strength, as it hovers near the highs for the year. Export demand is adding to the support for higher wholesale prices, with Japan active in the high valued fresh cuts. However, futures traders have been hesitant to factor in the strong cash market into the October and December contracts, as they are already trading at better than the historical relationship with the cash market. The Canadian Dollar gained a cent yesterday after the market reacted to a proposed foreign takeover for Potash Corp., worth more than 38 billion dollars.

Canadian delivered soymeal prices opened higher this morning. The soybean complex opened higher this morning in the presence of solid export demand and lingering uncertainty regarding yield potential. With soybean development continuing throughout August, the crop in the Midwest maintained its 66% good to excellent rating from last week, according to the USDA Crop Report.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning as a result of a decline in government ratings. According to the Monday's USDA Crop Report, 69% of corn has been rated good to excellent, down 2 percentage points from last week. High temperatures and excessive moisture in some areas are contributing support for prices.

US Slaughter	
407,000	— Monday's
432,000	— Monday's (year ago)
US Iowa/Sthrn MN	\$78.56
Western Corn Belt	\$78.51
Daily National Price	\$81.72
Daily Sig3(M.Leaf)	\$150.13
Daily Sig4(M.Leaf)	\$151.32
4-Month Fwd Avg	\$132.91
#1 Export Sows (+500lbs)	\$53.50 cwt
B of C Ex. Rate (Noon)	
\$1.0432CAD / \$.9586US	
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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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		140.31	136.51	127.48	127.04	129.41	137.49	134.22	139.38	151.04
			141.26	139.84	135.09	132.24	137.02	139.39	138.02	151.43
(Maple Leaf Sig. #4)		140.39	135.23	126.67	127.34	129.64	135.72	132.74	137.12	147.01
			140.39	137.81	133.67	133.11	134.06	137.01	136.24	145.14
Estimated Hog Margin		17.65	15.36	10.78	11.35	13.59	18.13	17.50	21.91	27.53
Soymeal Delivered	385	388	363	361	361	361	360	360	358	358
Corn Delivered	167	169	171	173	175	177	175			

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

