

Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, August 18, 2010

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

US Slaughter	
393,000 – Tuesday's	
433,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$80.86
Western Corn Belt	\$80.72
Daily National Price	\$81.05
Daily Sig3(M.Leaf)	\$152.58
Daily Sig4(M.Leaf)	\$148.35
4-Month Fwd Avg	\$135.41
#1 Export Sows (+500lbs) \$53.50 cwt	
B of C Ex. Rate (Noon) \$1.0312CAD / \$0.9697US	
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. Cash markets jumped by more than \$2.00/cwt as packers respond to excellent operating margins caused by wholesale pork prices that are defying seasonal trends by hitting new highs for the year. All of the primal cuts are supported by the tighter than expected supplies of live hogs combined with stronger demand both in domestic and export markets. In June, 20% of U.S. pork production was exported, helping to explain why pork prices have been maintained at such high levels. Lean hog futures are also edging higher, but traders remain cautious as they expect more abundant hog supplies to take the cash market down more than \$8.00/cwt over the next two months. The Canadian Dollar approached U.S.\$0.97 yesterday as news of a possible takeover of Potash Corp. had speculators buying the loonie.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower as favorable crop outlooks are putting pressure on prices. High pod populations being reported from crop scouts throughout the Midwest are solidifying previous yield expectations. Downside movement is expected to be limited, however, by strong export demand from China.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning as current growing conditions remain favorable throughout the Corn Belt. However, strong export demand may provide support for prices after the USDA announcement of the sale of 240,000 tons of U.S. corn to Egypt.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		143.22	138.95	129.93	129.26	131.64	139.72	136.20	139.80	151.09
		144.17	142.74	137.52	134.68	139.24	141.62	140.00	151.70	153.00
(Maple Leaf Sig. #4)		143.19	137.77	129.04	129.50	131.80	137.87	134.65	137.50	147.05
		143.19	140.62	136.02	135.47	136.22	139.16	138.15	145.43	148.34
Estimated Hog Margin		17.65	15.36	10.78	11.35	13.59	18.13	17.50	21.91	27.53
Soymeal Delivered	382	385	359	360	360	360	358	358	358	358
Corn Delivered	169	171	173	175	177	179	177			



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

