

# Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, August 23, 2010

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

**Forward contract prices opened steady this morning.** U.S. cash markets are starting the week with steady bids after last week's roller coaster cash market, which had packers crank up their bids by \$5.00/cwt and then drop them \$3.00/cwt. Stronger wholesale pork prices triggered the initial rally, with the carcass cut-out rallying to an all-time record of \$95.49 on Friday. Packer operating margins are excellent, and should support more gains in both the cash and futures market this week. Winter month futures contracts are trading just shy of their contract highs, as the strong cash market fundamentals has traders shifting to bullish speculative positions. The Canadian Dollar is starting this week higher, as stronger commodity markets has currency traders more bullish on the loonie.

**Canadian delivered soymeal prices opened higher this morning.** Soybeans are trading higher as a result of spillover support from wheat. The increase came despite an increase in strength of the U.S. Dollar, and bearish news from the Pro Farmer Crop Tour. An announcement from the USDA reporting a private export sale of 108,000 tons of soybean to Mexico is also providing support.

**Canadian delivered corn prices opened higher this morning.** Corn markets opened higher this morning as a result of traders anticipating a USDA announcement that yield forecasts have decreased. Excessive rain and heat in certain parts of the Midwest are the cause for these concerns. Rallying wheat prices are also buoying prices.

US Slaughter	
2.073 Mill. – Last Week's	
2.233 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$80.82
Western Corn Belt	\$80.87
Daily National Price	\$83.45
Daily Sig3(M.Leaf)	\$155.65
Daily Sig4(M.Leaf)	\$155.53
4-Month Fwd Avg	\$137.08
#1 Export Sows (+500lbs) \$53.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0500CAD / \$.9524US	
<b>Cash Prices: Week Ending August 20th, 2010</b>	
70.05/154.44 Signature #3	
68.27/150.51 Signature #4	
68.27/150.51 MPMC Cash	
66.37/146.32 Springhill	

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		147.93	141.99	132.82	132.86	135.27	143.47	139.03	143.01	154.15
		147.93	147.45	140.54	137.65	142.99	145.40	142.89	155.11	156.08
(Maple Leaf Sig. #4)		147.83	140.77	131.89	132.82	135.38	141.55	137.44	140.64	150.02
		147.83	145.22	138.99	138.43	139.87	142.85	140.99	148.71	151.33
Estimated Hog Margin		17.65	15.36	10.78	11.35	13.59	18.13	17.50	21.91	27.53
Soymeal Delivered	384	387	361	360	360	360	364	364	363	363
Corn Delivered	174	176	178	180	182	184	182			

## Rothsay Animal Vegetable Feed Fat

\$628/tonne ↓ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

