

# Hog Margin Outlook

Meeting Your Marketing Needs

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[www.mpmc.mb.ca](http://www.mpmc.mb.ca) & [www.spimg.ca](http://www.spimg.ca)

Wednesday, August 25, 2010

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

US Slaughter	
413,000 – Tuesday's	
425,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$80.41
Western Corn Belt	\$80.28
Daily National Price	\$83.65
Daily Sig3(M.Leaf)	\$155.44
Daily Sig4(M.Leaf)	\$156.84
4-Month Fwd Avg	\$139.94
#1 Export Sows (+500lbs) \$54.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0563CAD / \$.9467US	
<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.*

**Forward contract prices opened higher this morning.** Yesterday's trade took the pork carcass cut-out price to a new record high, and only about \$3.00/cwt away from the benchmark of \$100/cwt. Packers have an appetite to increase their production level as operating margins are at the best that they have been in well over a year. Producers are pulling their hogs out of the barns ahead of their normal delivery schedule in an effort to capitalize on the higher prices, but supplies are still too tight for this to weaken packer bids. Lean Hog futures saw some weakness yesterday, influenced by losses in other commodities, however, the fall and winter month contracts are expected to hold steady over the last half of the week as traders watch for influence from a higher cash market. The Canadian Dollar is trading under US\$0.94, the lowest level in close to 2 months, largely due to weaker commodity prices.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex is trading marginally higher this morning as uncertainty regarding Sudden Death Syndrome spreading throughout Iowa and Illinois provides support for prices. The bullish movement also came as an attempt to stabilize the soybean market after recent declines.

**Canadian delivered corn prices opened higher this morning.** Corn markets are trading steady to higher this morning as there is a lack of fresh bullish news to spark a rally. Early reports of disappointing yields in the southern U.S. are having little influence on the market as the south represents just a small portion of the corn produced in the U.S.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		149.42	143.85	135.05	132.79	135.72	144.50	140.30	144.44	155.27
		149.42	148.93	142.87	139.94	144.01	146.45	144.20	154.74	157.23
(Maple Leaf Sig. #4)		148.95	142.61	133.72	132.84	135.20	142.19	138.51	141.86	151.30
		148.95	146.30	140.91	140.34	140.49	143.52	141.91	148.89	152.63
Estimated Hog Margin		17.65	15.36	10.78	11.35	13.59	18.13	17.50	21.91	27.53
Soymeal Delivered	386	387	364	363	363	361	365	365	364	364
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

