

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, August 26, 2010

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

US Slaughter	
413,000 – Wednesday's	
422,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$82.25
Western Corn Belt	\$81.80
Daily National Price	\$83.68
Daily Sig3(M.Leaf)	\$159.57
Daily Sig4(M.Leaf)	\$158.07
4-Month Fwd Avg	\$136.69
#1 Export Sows (+500lbs)	\$54.50 cwt
B of C Ex. Rate (Noon)	\$1.0642CAD / \$0.9397US
Cash Prices: Week Ending August 20th, 2010	
70.05/154.44 Signature #3	
68.27/150.51 Signature #4	
68.27/150.51 MPMC Cash	
66.37/146.32 Springhill	

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Forward contract prices opened lower this morning. U.S. cash markets are gaining value this morning despite the turn-around in the pork carcass cut-out. Yesterday's cut-out dropped by about \$1.50/cwt, but packers still have strong incentives to maximize their slaughter schedule as operating margins remain excellent. Hog numbers are expected to become significantly more abundant over the next two weeks as temperatures in the mid-west cool and animal growth accelerates in response. Lean hog futures appear to be in a holding pattern as traders are hesitant to add any more value to the October and December contracts, while the firm cash market is preventing any significant weakness. The Canadian Dollar is maintaining its 5 cent range in the mid \$0.90's, as it has all summer. This morning's strength in the loonie is coming from a partial recovery in crude oil prices.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher this morning as a result of solid demand. The U.S. Census Bureau reported 1.291 million bushels were crushed in July, which is above the average analyst estimate of 1.285 million bushels. As well, the USDA announced 991,800 tons had been sold for the week ended August 19.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning after the USDA reported weekly net sales of 1.732 million metric tons. Actual sales were much higher than trader estimates of 650,000 to 1.45 million. Increases in crude oil prices, together with uncertainty regarding global wheat supply are also contributing to the bullish movement.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		145.35	140.03	131.32	130.96	133.89	142.69	139.13	142.52	153.65
		145.35	144.87	139.06	136.16	142.20	144.64	143.04	152.77	155.61
(Maple Leaf Sig. #4)		144.97	138.88	130.17	131.01	133.44	140.44	137.38	140.00	149.74
		144.97	142.35	137.20	136.63	138.74	141.77	140.78	147.00	151.06
Estimated Hog Margin		17.65	15.36	10.78	11.35	13.59	18.13	17.50	21.91	27.53
Soymeal Delivered	397	398	362	362	362	361	359	359	360	360
Corn Delivered	173	175	177	179	181	183	181			



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

