

Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, September 02, 2010

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

US Slaughter	
408,000 – Tuesday's	
435,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$79.36
Western Corn Belt	\$79.18
Daily National Price	\$82.67
Daily Sig3(M.Leaf)	\$154.41
Daily Sig4(M.Leaf)	\$156.12
4-Month Fwd Avg	\$133.16
#1 Export Sows (+500lbs) \$54.50 cwt	
B of C Ex. Rate (Noon) \$1.0639CAD / \$0.9399US	
Cash Prices: Week Ending August 27th, 2010	
70.89/156.29 Signature #3	
71.08/156.71 Signature #4	
69.92/154.15 MPMC Cash	
67.32/148.42 Springhill	

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Forward contract prices opened lower this morning. The cash market is called steady this morning despite yesterday's sharp drop in the pork cut-out. Packers are reportedly short of live supplies to meet their planned increase to their slaughter schedule for the week, forcing them to hold bids steady. Wholesale prices for different primal cuts are mixed with some of the high valued fresh cuts dropping close to 10% of their value, while bellies and hams are holding steady. Lean hog futures are falling this morning on concern over long term consumer demand if the U.S. economy starts to experience another economic downturn. The Canadian Dollar is not experiencing the same influence from this bearish economic sentiment, with the loonie gaining close to a cent against the U.S. Dollar due to higher commodity prices.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher as a result of spillover support from other grains and increases in crude oil prices. Weakness in the U.S. Dollar is also contributing to the bullish movement. However, gains are expected to be limited as a rain system moves across the central Midwest, diminishing moisture concerns.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning as traders expect the USDA to lower corn yield estimates from its current 165 bu./acre level, in next week's crop report. Increases in wheat, metal and crude oil prices, along with a weaker U.S. Dollar are also moving prices upward.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		136.81	128.12	127.60	130.51	139.22	136.22	140.80	152.51	152.51
		141.12	135.85	132.95	138.74	141.16	140.09	151.05	154.47	156.42
(Maple Leaf Sig. #4)		135.76	126.96	127.78	130.13	137.07	134.53	138.33	148.64	149.39
		138.71	134.07	133.51	135.38	138.38	137.91	145.33	149.96	152.04
Estimated Hog Margin		15.39	10.48	10.65	12.69	17.27	16.56	19.55	25.84	25.52
Soymeal Delivered	421	367	367	367	369	374	374	371	371	393
Corn Delivered	184	186	188	190	192	194	192			



Rothsay Animal Vegetable Feed Fat

\$658/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

