



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, September 07, 2010

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

US Slaughter	
2.117 Mill. – Last Week's	
2.268 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$78.57
Western Corn Belt	\$78.15
Daily National Price	\$81.24
Daily Sig3(M.Leaf)	\$149.14
Daily Sig4(M.Leaf)	\$150.13
4-Month Fwd Avg	\$136.60
#1 Export Sows (+500lbs)	\$54.50 cwt
B of C Ex. Rate (Noon)	
\$1.0411CAD / \$0.9605US	
Cash Prices: Week Ending September 3rd, 2010	
68.52/151.07 Signature #3	
70.42/155.24 Signature #4	
67.98/149.87 MPMC Cash	
65.33/144.02 Springhill	

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Forward contract prices opened higher this morning. U.S. cash markets are starting this short week with higher bids as packers attempt to make up for yesterday's holiday with an aggressive Saturday production schedule. However, producers are fully current with their marketing's as average carcass weights continue to run around 200 lbs, slightly lower than year ago levels. Hog supplies continue to be tighter than expected, which could result in a firmer trend in cash bids over the next week. Lean hog futures are trading higher this morning with little new fundamental information, leaving traders to follow the cash market lead. The Canadian Dollar is in the middle of its 6 month trading range at \$0.9550 this morning. The loonie is seeing bearish influence from lower commodity and stock prices, while the U.S. Dollar is stronger against most of the world's currencies.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning as a result of weaker crude oil and gold futures, combined with a stronger U.S. Dollar. Seasonal pressure is also contributing to the downward movement with a lack of season ending frost threats, and record-breaking yields still being predicted for the U.S.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning despite a highly bullish report released on Friday from Informa Economics- a private U.S. analytical firm. The report suggested yields would be 3.9% below USDA estimates, which sparked a rally late last week. However, a high U.S. Dollar is moving corn prices downward.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		140.41 141.81	131.77 139.45	131.05 136.57	133.92 142.07	142.55 144.47	139.71 143.55	142.98 153.04	153.71 155.62	153.71 157.54
(Maple Leaf Sig. #4)		139.22 140.52	130.48 137.55	131.08 136.99	133.40 138.60	140.27 141.57	137.89 141.23	140.40 147.27	149.77 151.07	150.51 153.11
Estimated Hog Margin		15.39	10.48	10.65	12.69	17.27	16.56	19.55	25.84	25.52
Soymeal Delivered	411	365	367	367	359	369	369	363	363	371
Corn Delivered	189	191	193	195	197	199	197			



Rothsay Animal Vegetable Feed Fat

\$663/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

