



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, September 08, 2010

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

US Slaughter	
418,000 – Monday's	
432,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$80.36
Western Corn Belt	\$80.15
Daily National Price	\$81.09
Daily Sig3(M.Leaf)	\$153.19
Daily Sig4(M.Leaf)	\$150.08
4-Month Fwd Avg	\$134.10
#1 Export Sows (+500lbs) \$54.50 cwt	
B of C Ex. Rate (Noon) \$1.0427CAD / \$.9590US	
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 lower this morning. U.S. packer bids are higher as hog supplies are still tight, relative to the planned slaughter requirements for this week. The pork cut-out was weaker yesterday after belly prices broke out of their firming trend and loin and rib prices were softer. The word on U.S. pork exports is that sales are still strong, however, we typically do not receive confirmation of this for close to two months. Lean hog futures dropped about \$1.00/cwt on average across all contracts yesterday as all commodity markets were pressured by a weaker outlook for the global economy. The Canadian Dollar moved lower yesterday in response to lower commodity prices but has rebounded today. The Bank of Canada announced another 25 basis point hike in interest rates this morning, but signaled that no additional increases are likely in the near future due to the uncertainty in Canada's economic growth.

Canadian delivered soymeal prices opened lower this morning. Soybeans opened lower after the USDA announced soybeans rated as good to excellent were unchanged from last week at 64%. The market is ready for high soybean yields after holding up well during the growing season. The USDA also reported that 19% of leaves were dropping, up from 8% last week.

Canadian delivered corn prices opened steady this morning. Corn markets are trading steady this morning as traders are cautious ahead of the USDA Supply and Demand Report, which is to be released on Friday. As well, 69% of corn was rated as good to excellent, down one percentage point from last week, thereby staying true to market expectations.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		137.51 138.80	128.93 136.55	129.11 133.70	131.97 140.08	140.56 142.47	138.27 142.09	142.56 152.65	153.71 155.63	153.71 157.55
(Maple Leaf Sig. #4)		136.38 137.68	127.71 134.72	128.64 134.17	131.49 136.67	138.33 139.63	136.48 139.81	140.01 146.89	149.78 151.08	150.52 153.13
Estimated Hog Margin		15.39	10.48	10.65	12.69	17.27	16.56	19.55	25.84	25.52
Soymeal Delivered	398	367	367	367	358	374	374	365	365	377
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

