

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

www.mpmc.mb.ca & www.spimg.ca

Thursday, September 09, 2010

Hog Prices: ↓ Soymeal: ↓

Corn: ↔ Cdn Dollar: ↑

US Slaughter	
422,000 – Wednesday's	
432,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$80.42
Western Corn Belt	\$80.21
Daily National Price	\$81.21
Daily Sig3(M.Leaf)	\$152.30
Daily Sig4(M.Leaf)	\$149.32
4-Month Fwd Avg	\$134.03
#1 Export Sows (+500lbs) \$54.50 cwt	
B of C Ex. Rate (Noon) \$1.0359CAD / \$0.9653US	
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. cash markets are still supported by packers looking for a large Saturday kill, currently estimated at around 240,000 hogs. Packers are still benefitting from good operating margins as wholesale pork prices have remained firm as retailers are replenishing their pork inventory sold for the holiday weekend. Nearby lean hog futures are seeing some support from the firm cash market this morning, while speculators are starting to take greater interest in the 2011 contracts. Technical indicators are reflecting a long term bullish trend for lean hog futures, which could promote more fund buying in the weeks ahead. The Canadian Dollar rallied more than a cent yesterday, following the Bank of Canada's decision to increase interest rates by 25 basis points.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower as a result of carryover selling from overnight putting pressure on prices. Rumors of increased regulation in Chinese commodity markets were the cause of the increase in selling. August estimates of 44 bu./acre are expected to be decreased in tomorrow's USDA Report.

Canadian delivered corn prices opened steady this morning. Corn markets opened steady to lower this morning as a result of decreases in the prices of rubber in China. Downside movement is expected to be limited, however, as traders are anticipating August USDA estimates of 165 bu./acre to be lowered to 163.1 bu./acre in tomorrow's USDA Report.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		137.49 138.44	128.97 136.54	128.99 133.70	131.84 139.93	140.40 142.30	138.94 142.74	143.02 153.06	153.54 155.45	153.54 157.36
(Maple Leaf Sig. #4)		136.35 137.63	127.73 134.70	128.65 134.15	131.36 136.51	138.17 139.46	137.12 140.44	140.44 147.29	149.61 150.90	150.35 152.94
Estimated Hog Margin		15.39	10.48	10.65	12.69	17.27	16.56	19.55	25.84	25.52
Soymeal Delivered	393	364	364	364	355	371	371	362	362	371
Corn Delivered	189	191	193	195	197	199	197			

CONGRATULATIONS

Rosebank Colony

Winner of the August 2010 Sow and Boar Lottery