



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, September 10, 2010

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

US Slaughter	
424,000 – Thursday's	
432,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$83.20
Western Corn Belt	\$82.79
Daily National Price	\$81.61
Daily Sig3(M.Leaf)	\$156.73
Daily Sig4(M.Leaf)	\$149.61
4-Month Fwd Avg	\$136.15
#1 Export Sows (+500lbs) \$54.50 cwt	
B of C Ex. Rate (Noon) \$1.0328CAD / \$0.9682US	
Cash Prices: Week Ending September 10th, 2010	
69.33/152.85 Signature #3	
67.94/149.78 Signature #4	
67.94/149.78 MPMC Cash	
65.98/145.45 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets shot up by close to \$3.00/cwt yesterday as some mid-west packers are caught short of supplies for Saturday's kill. Packers had planned for a large production run tomorrow, estimated at 250,000 hogs, in an effort to make up for last Monday's holiday. Packer margins are still profitable, but the combination of higher cash bids and a weaker pork cut-out dropped the estimated margin to \$13.00/hog, the lowest level in weeks. Lean hog futures benefitted from the stronger cash market yesterday, but traders are expected to follow the cash market lower this morning. The Canadian Dollar is down slightly from three week highs made this week. Our currency gained early in the week from a bump in interest rates and more recently news that Canada added 35,000 jobs in August.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower after the USDA projected record soybean production at 3.48 billion bushels, up 1% from August and 4% higher than 2009. An increase in yield estimate to a record 44.7 bu./acre, which is 0.7bu./acre above last month and last year, is also contributing to the bearish movement.

Canadian delivered corn prices opened higher this morning. Corn markets are trading higher after the release of the USDA Supply and Demand Report stated corn production estimates to be 13.16 billion bushels, below the average trade estimate of 13.199 billion bushels. A decrease in yield projections (from 165 bu./acre to 162.5 bu./acre) is providing support for prices.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		139.51 140.84	130.98 138.56	131.21 135.72	134.06 142.16	142.63 144.54	140.06 143.87	143.54 153.55	154.03 155.94	154.03 157.84
(Maple Leaf Sig. #4)		138.31 139.60	129.68 136.66	131.21 136.11	133.51 138.67	140.33 141.63	138.21 141.53	140.94 147.77	150.08 151.37	150.82 153.40
Estimated Hog Margin		15.39	10.48	10.65	12.69	17.27	16.56	19.55	25.84	25.52
Soymeal Delivered	389	353	353	353	358	370	370	367	367	366
Corn Delivered	188	190	192	194	196	198	196			

CONGRATULATIONS

Rosebank Colony

Winner of the August 2010 Sow and Boar Lottery