

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, September 14, 2010

Hog Prices: ↓ Soymeal: ↓

Corn: ↓ Cdn Dollar: ↑

US Slaughter	
413,000 – Monday's	
429,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$79.20
Western Corn Belt	\$79.03
Daily National Price	\$82.70
Daily Sig3(M.Leaf)	\$148.90
Daily Sig4(M.Leaf)	\$150.89
4-Month Fwd Avg	\$134.52
#1 Export Sows (+500lbs) \$54.00 cwt	
B of C Ex. Rate (Noon) \$1.0279CAD / \$0.9729US	
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 lower this morning. U.S. cash markets are trading slightly lower this morning, but could be supported as packers are showing interest in putting together a large Saturday kill due to an improvement in operating margins. Wholesale pork prices are defying the normal seasonal trend of lower prices as the pork cut-out gained about \$1.50/cwt in yesterday's trade. Lean hog futures traded lower yesterday, largely due to the cash market influence. However, there is room for upside this week in a choppy trade as the October and December contracts are discounted by a larger amount than is normally seen for this time of year. The Canadian Dollar is trading at \$0.975 this morning, near the top of its summer trading range. The prospect of further improvement in the global economy has commodity linked currencies gaining value.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower this morning as a result of traders anticipating a large soybean crop to replenish low supply stocks caused by strong export demand. The USDA increased their soybean production estimate from 3.433 billion bushels to 3.483 billion bushels in Friday's government report.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower after gaining yesterday on spillover support from wheat. Earlier harvesting is also contributing to the bearish movement as the USDA reported 11% of the corn crop was off the field, compared with 6% in 2009. As well, 52% of the crop had reached maturity, compared with 33% last year.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		137.61 138.08	129.13 136.67	129.62 133.84	132.46 140.48	140.95 142.84	139.25 143.03	143.12 153.06	153.82 155.72	153.82 157.61
(Maple Leaf Sig. #4)		136.45 137.73	127.87 134.81	128.79 134.81	131.92 137.04	138.69 139.96	137.41 140.70	140.51 147.30	149.87 151.16	150.61 153.18
Estimated Hog Margin		14.23	10.49	11.29	14.31	18.63	18.53	22.36	27.64	28.63
Soymeal Delivered	372	345	345	345	352	354	354	358	358	355
Corn Delivered	199	201	203	205	207	209	207			



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

