



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, September 15, 2010

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

US Slaughter	
414,000 – Tuesday's	
423,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$80.13
Western Corn Belt	\$79.94
Daily National Price	\$82.29
Daily Sig3(M.Leaf)	\$149.78
Daily Sig4(M.Leaf)	\$149.31
4-Month Fwd Avg	\$138.29
#1 Export Sows (+500lbs) \$54.00 cwt	
B of C Ex. Rate (Noon) \$1.0222CAD / \$0.9783US	
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	

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.

Forward contract prices opened higher this morning. U.S. cash markets are resisting any lower trend related to normal seasonality by climbing about \$1.00/cwt in yesterday's trade. Hog supplies are tighter than what was anticipated by the last USDA Hogs and Pigs Report, down more than 7% for the last few weeks compared to year ago levels. This fact, combined with a new record high in pork belly prices (\$1.55/cwt) contributed to significant gains in the lean hog futures. Next week's cluster of reports (Cold Storage, Hogs & Pigs and Cattle on Feed) is the focus of many traders as they attempt to forecast the fall and winter price trend. The Canadian Dollar retreated by about half a cent from recent highs experienced yesterday, adding to the spike in our forward prices.

Canadian delivered soymeal prices opened higher this morning. The soybean complex opened higher this morning following a strong rally in the corn market. The increase in prices came despite reports that harvesting was starting earlier in the U.S. with 3% completed in Illinois, compared with an average of 1% at this time, according to the USDA.

Canadian delivered corn prices opened higher this morning. Corn markets are trading higher, reaching new 23-month highs due to disappointing yields in the U.S. The lack of supplies being produced is causing worry that stocks will be short for 2010/11, in a time of high demand. Excessive rains in June, as well as high temperatures in August are the cause of the low yields.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		142.41 142.88	133.91 141.47	131.57 138.63	133.46 142.92	144.34 146.23	141.60 145.38	144.89 154.82	155.11 157.00	155.11 158.89
(Maple Leaf Sig. #4)		141.11 142.39	132.88 139.46	132.35 139.09	134.64 139.59	141.79 143.25	140.05 142.98	142.23 148.09	149.47 152.03	151.67 154.23
Estimated Hog Margin		14.23	10.49	11.29	14.31	18.63	18.53	22.36	27.64	28.63
Soymeal Delivered	376	350	350	350	351	360	360	363	363	350
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

