



Hog Margin Outlook

Meeting Your Marketing Needs

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

US Slaughter	
417,000 – Monday's	
427,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$81.01
Western Corn Belt	\$80.88
Daily National Price	\$82.13
Daily Sig3(M.Leaf)	\$152.42
Daily Sig4(M.Leaf)	\$149.88
4-Month Fwd Avg	\$140.66
#1 Export Sows (+500lbs) \$54.00 cwt	
B of C Ex. Rate (Noon) \$1.0281CAD / \$0.9727US	
Cash Prices: Week Ending September 17th, 2010	
68.70/151.46 Signature #3	
68.20/150.36 Signature #4	
67.56/148.94 MPMC Cash	
65.56/144.53 Springhill	

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Tuesday, September 21, 2010

Forward contract prices opened higher this morning. US packers continue to bid aggressively for live supplies as wholesale pork prices have yet to see any impact from the seasonal increase in hog numbers. The pork cut-out is maintaining its value above the \$90/cwt level, with the primal cuts destined for processing providing the most support. Lean Hog futures are gaining value this morning, but will likely see an increase in volatility ahead of Friday's Hogs & Pigs Report, and in response to tomorrow's release of the Cold Storage Report. Most analysts are expecting a 2%-3% decline in market hog numbers, implying that hog supplies will need to increase dramatically in the coming weeks to meet those expectations. The Canadian Dollar responded to news of an inflation rate in the middle of its target range with a moderate drop.

Canadian delivered soymeal prices opened higher this morning. The crop progress report showed soybean harvest at 8% complete, compared to the 5 year average of 6% complete. The condition of the soybean crop still lags last year, with some analysts expressing concern over the speed with which the crop is maturing, a negative impact on yields.

Canadian delivered corn prices opened higher this morning. Corn harvest progress was very good, with US farmers completing 7% of the crop last week bringing the total to 18%. This is well ahead of year ago levels where farmers had only completed 4%. Fund activity continues to drive the corn market higher with a record large position.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		143.89	134.36 142.94	134.36 140.10	136.26 145.74	147.16 149.06	144.13 147.92	147.88 157.86	157.86 159.76	157.86 161.67
(Maple Leaf Sig. #4)		142.55	134.30 140.90	135.03 140.53	137.37 142.32	144.53 146.00	142.51 145.45	145.13 151.03	152.13 154.71	154.34 156.92
Estimated Hog Margin		14.23	10.49	11.29	14.31	18.63	18.53	22.36	27.64	28.63
Soymeal Delivered	383	366	373	376	374	377	377	383	383	383
Corn Delivered	213	215	217	218	219	221	221			

Rothsay Animal Vegetable Feed Fat

\$673/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

