



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, September 22, 2010

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

US Slaughter	
417,000 – Tuesday's	
430,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$82.20
Western Corn Belt	\$82.07
Daily National Price	\$82.11
Daily Sig3(M.Leaf)	\$155.11
Daily Sig4(M.Leaf)	\$150.34
4-Month Fwd Avg	\$138.21
#1 Export Sows (+500lbs) \$53.25 cwt	
B of C Ex. Rate (Noon) \$1.0315CAD / \$0.9695US	
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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Forward contract prices opened lower this morning. US cash markets are making gains through mid-week, with hog supplies still lagging normal seasonal trends to larger supplies. However, packers could move to pull back on bids in order to protect their operating margins, still running at close to \$20/hog. Lean Hog futures are pulling back from gains seen yesterday, but trade remains highly volatile ahead of this afternoon's Cold Storage Report and Friday's Hogs & Pigs Report. Both reports are highly anticipated by the market as traders look for indications of a reversal to the tight supply situation that pork markets have experienced over the last two months. The USDA will need to revise the last report's projections to help explain the 3% discrepancy between their estimates and the actual hog slaughter.

Canadian delivered soymeal prices opened higher this morning. The whole complex continues to appreciate, largely in response to new announcements of export sales. Typically, the market's focus is on harvest progress and yields at this time of year, but the weak US Dollar is spurring foreign buyers to place orders to meet their needs early this year.

Canadian delivered corn prices opened higher this morning. New surveys out on the average corn yield have dropped about 2.5 bushels/acre from earlier this month, down to about 160 bpa. However, supply fundamentals are only one piece of the current market as funds hold a record large long position in corn futures.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		141.70	133.22 140.76	131.69 137.93	133.58 143.02	144.43 146.32	142.64 146.42	147.02 157.01	157.29 159.19	157.29 161.09
(Maple Leaf Sig. #4)		140.42	132.20 138.77	132.93 138.41	134.75 139.68	141.88 143.34	141.05 143.98	144.30 150.20	151.58 154.16	153.79 156.37
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	213	213	215	217	220	222			



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

