

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

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

Thursday, September 30, 2010

Hog Prices: ↓ **Soymeal:** ↑

Corn: ↓ **Cdn Dollar:** ↔

US Slaughter	
418,000 – Wednesday's	
432,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$79.83
Western Corn Belt	\$79.59
Daily National Price	\$82.67
Daily Sig3(M.Leaf)	\$150.27
Daily Sig4(M.Leaf)	\$151.14
4-Month Fwd Avg	\$132.41
#1 Export Sows (+500lbs) \$52.75 cwt	
B of C Ex. Rate (Noon) \$1.0300CAD / \$0.9709US	
Cash Prices: Week Ending September 24th, 2010	
69.69/153.63 Signature #3	
68.43/150.87 Signature #4	
68.35/150.69 MPMC Cash	
66.25/146.06 Springhill	

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Forward contract prices opened lower this morning. U.S. cash markets continued lower this morning, as packers are finding hog supplies easier to source. The daily slaughter level is running at around 420,000 hogs, but the added numbers come in on Saturday, with this Saturday's kill estimated at better than 120,000 head. Nearby lean hog futures have come under pressure in recent days, with the cash market weakness providing the rationale. Futures contracts for the spring and summer of 2011 snapped their higher trend in yesterday's trade. However, the prospect of corn trading well over U.S.\$5.00/bu. in this timeframe will quiet talk of expansion in the hog sector. The Canadian Dollar continues in a tight range around U.S.\$0.97, but pressure on the U.S. Dollar due to weak economic fundamentals could lead to a higher breakout should commodity markets strengthen.

Canadian delivered soymeal prices opened higher this morning. With government supply data lacking in any new information, soybeans opened higher this morning due to strong export demand. The USDA reported 1,737,600 metric tons in export sales for week ended Sept. 23, with China being the primary buyer. Upside movement may be limited by weakness in corn.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning after the USDA released their quarterly Grain Stocks Report, which announced that corn storage supplies totalled 1.708 billion bushels as of September 1. The total was much higher than the average analyst estimate of 1.407 billion bushels.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)			127.20 134.75	125.48 131.92	127.37 136.82	138.24 140.13	136.73 140.51	140.81 150.79	152.12 154.03	152.12 155.93
(Maple Leaf Sig. #4)			126.38 132.95	126.45 132.59	128.74 133.69	135.88 137.90	135.34 138.27	138.29 144.18	146.58 149.15	148.78 151.36
Estimated Hog Margin			12.46	12.18	13.98	18.64	18.47	22.13	27.28	28.09
Soymeal Delivered	366	366	369	370	370	372	372	375	375	376
Corn Delivered	204	204	204	206	208	210	212			



Rothsay Animal Vegetable Feed Fat

\$688/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

