



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, October 01, 2010

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

US Slaughter	
417,000 – Thursday's	
434,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$79.33
Western Corn Belt	\$78.87
Daily National Price	\$82.29
Daily Sig3(M.Leaf)	\$148.88
Daily Sig4(M.Leaf)	\$150.42
4-Month Fwd Avg	\$133.25
#1 Export Sows (+500lbs) \$52.75 cwt	
B of C Ex. Rate (Noon) \$1.0298CAD / \$0.9711US	
Cash Prices: Week Ending October 1st, 2010	
67.98/149.86 Signature #3	
68.41/150.81 Signature #4	
67.06/147.85 MPMC Cash	
64.86/142.98 Springhill	

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Forward contract prices opened higher this morning. The cash market trade was unpredictable this week as packers got a sense that hog supplies were finally seeing their seasonal increase, but demand remains strong enough to trigger another increase in cash bids. Almost all of the primal cuts were higher this week, providing strong rationale for packers to maximize their kill schedule. Lean hog futures are finishing the week lower after the sharp drop they experienced on Tuesday. The long term trend in hog prices appears to be steady to higher as the recent run-up in corn prices have U.S. producers shy to expand production. The Canadian Dollar is trading in the middle of its tight trading range around U.S.\$0.97 during the last three weeks, an uncharacteristic trend for our currency.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower as producers in the Midwest continue to enjoy an open window for harvest. Harvest pressure should limit farmer selling. Rains recharging the dry soil in Brazil and Argentina, allowing for soybean planting to get a kick-start, is also contributing to the bearish movement.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower this morning as larger than expected U.S. supply stocks continue to buoy prices. Reported stocks were 20% higher than the average analyst estimate. As well, traders are anticipating a decrease in USDA average yield estimates from 162.5 bu./acre to 155 bu./acre.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		128.10 135.63	126.33 132.81	128.21 137.61	139.02 140.91	137.65 141.41	142.07 152.02	152.78 154.68	152.78 156.57	
(Maple Leaf Sig. #4)		127.24 133.80	127.25 133.44	129.53 134.44	136.63 138.63	136.21 139.13	139.50 145.38	147.21 149.78	149.42 151.99	
Estimated Hog Margin		12.46	12.18	13.98	18.64	18.47	22.13	27.28	28.09	
Soymeal Delivered	361	365	366	364	367	367	371	371	371	371
Corn Delivered	202	202	202	204	206	208	210			



J & R LIVESTOCK CONSULTANTS LTD.

L-LYSINE HCL 98% - \$2350.00 / MT ↑ (1-2 MT)

*Price quoted is FOB Winnipeg– Price subject to change without notice



To place your order please call Andrew or Wendy at 1-888-309-8223