



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, October 07, 2010

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

US Slaughter	
423,000	– Wednesday's
430,000	– Wednesday's (year ago)
US Iowa/Sthrn MN	\$75.18
Western Corn Belt	\$75.11
Daily National Price	\$79.31
Daily Sig3(M.Leaf)	\$138.68
Daily Sig4(M.Leaf)	\$141.80
4-Month Fwd Avg	\$128.88
#1 Export Sows (+500lbs)	\$50.00 cwt
B of C Ex. Rate (Noon)	
\$1.0073CAD / \$.9928US	
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

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 steady this morning.

Cash bids have held relatively firm when compared to the pork cut-out that continues to experience severe weakness. Wholesale pork prices have dropped about \$6.00/cwt or 8% of their values as all of the primal cuts see weakness. Hams and bellies have experienced the deepest discounts as inventory is starting to grow and consumers have started looking for lower cost alternatives after record high prices. Lean hog futures are resisting the weakness from the cash market and are seeing only minor selling by the large speculators. The Canadian Dollar spiked to well over U.S.\$0.99 yesterday, but is trading about 60 points lower this morning. Employment reports released tomorrow for both the U.S. and Canada are the current focus of the exchange rate.

Canadian delivered soymeal prices opened higher this morning.

A weaker U.S. Dollar, strong export demand, and a decrease in soybean acres due to summer flooding are contributing to the bullish movement of the soybean complex this morning. Increases in U.S. and South American production are seen being offset by an increase in global consumption of soybeans.

Canadian delivered corn prices opened higher this morning.

Corn markets are trading higher this morning as traders continue to anticipate a decrease in U.S. corn yield estimates in the government report to be released tomorrow. News that Ukraine, a major exporter, has imposed export quotas due to damage from drought is expected to have little impact on the market.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		122.75 126.01	121.96 127.41	123.83 133.16	134.56 136.43	134.00 137.73	137.20 146.99	148.67 150.53	148.67 152.40	
(Maple Leaf Sig. #4)		122.03 127.98	122.75 128.16	125.24 130.12	132.29 134.28	132.65 135.55	134.75 140.53	143.24 145.77	145.41 147.94	
Estimated Hog Margin		6.61	7.21	9.97	15.18	16.39	18.62	25.12	25.84	
Soymeal Delivered	346	350	350	350	352	352	355	355	357	357
Corn Delivered	200	200	200	202	205	207	209			



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

CONGRATULATIONS

Waldheim Colony Farms Ltd.

Winner of the Sept. 2010 Sow and Boar Lottery