

Hog Margin Outlook

Meeting Your Marketing Needs

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

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



Friday, October 08, 2010

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

US Slaughter	
423,000 – Thursday's	
437,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$72.42
Western Corn Belt	\$72.35
Daily National Price	\$78.66
Daily Sig3(M.Leaf)	\$134.82
Daily Sig4(M.Leaf)	\$141.94
4-Month Fwd Avg	\$129.78
#1 Export Sows (+500lbs) \$50.00 cwt	
B of C Ex. Rate (Noon) \$1.0166CAD / \$0.9837US	
Cash Prices: Week Ending October 8th, 2010	
63.45/139.89 Signature #3	
65.60/144.63 Signature #4	
62.97/138.82 MPMC Cash	
60.50/133.38 Springhill	

Forward contract prices opened higher this morning. U.S. cash markets are trading lower again this morning as packers are easily finding supplies to meet the projected slaughter of 2.25 million hogs. The last week has been dismal for hog markets as a free fall in prices of some primal cuts triggered a dramatic drop in cash values. Cash markets have lost about \$4.00/cwt in the major U.S. production areas over the last week, while futures are down only marginally from week ago levels. Hog futures have resisted any significant weakness, despite funds holding a record large long position. The Canadian Dollar is trading lower this morning as a jobs report released this morning showed that Canada shed 6,600 more jobs than what were created in the month of September.

Canadian delivered soymeal prices opened higher this morning. A 1% decrease in harvested soybean acres according to today's USDA Supply and Demand Report is contributing to the bullish movement of the soybean complex. As well, average trader's projected stocks of 3.491 billion bushels and yields of 45 bu./acre were lowered to 3.408 billion bushels and 44.4 bu./acre respectively.

Canadian delivered corn prices opened higher this morning. Corn markets moved substantially higher this morning after the USDA announced an estimated national yield of 155.8 bu./acre, down from 162.5 bu./acre in September. As well, final corn supplies were decreased from 13.160 billion bushels to 12.664 billion bushels, well below the average analyst estimate.

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.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		123.05 126.33	123.09 127.73	124.96 134.32	135.72 137.59	135.94 139.68	139.56 149.40	151.43 153.30	151.43 155.18	
(Maple Leaf Sig. #4)		122.87 128.67	123.78 129.03	126.72 131.79	133.78 135.95	134.90 137.80	137.41 143.23	146.28 148.82	148.27 150.82	
Estimated Hog Margin		6.61	7.21	9.97	15.18	16.39	18.62	25.12	25.84	
Soymeal Delivered	366	370	370	374	354	354	357	357	360	360
Corn Delivered	220	220	220	222	224	226	228			



LYSINE ANDREW or WENDY
1-888-309-8223



ANDREW or WENDY
1-888-309-8223

