

Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, October 13, 2010

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
423,000 – Tuesday's	
433,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$70.58
Western Corn Belt	\$70.50
Daily National Price	\$75.65
Daily Sig3(M.Leaf)	\$130.65
Daily Sig4(M.Leaf)	\$135.76
4-Month Fwd Avg	\$129.32
#1 Export Sows (+500lbs) \$47.00 cwt	
B of C Ex. Rate (Noon) \$1.0110CAD / \$0.9891US	
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	

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 lower this morning. U.S. cash markets are trading steady to lower at mid-week, despite packers adding hours to the weekday and a weekend slaughter schedule. Producers are current with their marketing's as carcass weights are hovering near 205 lbs, but cooler weather combined with improved feed quality is reducing the days-to-market. Lean hog futures have been resisting any downside coming from the cash market trend, but the nearby contracts are laden with huge long positions by the funds that could trigger a sell-off. The Canadian Dollar remains just shy of the U.S.\$0.99, the highest level since May.

FALL MARKETING MEETINGS					
Brandon	Nov. 3 @ 12pm	Royal Oak Inn & Suites	Swift Current	Nov. 9 @ 12pm	Wong's Kitchen
Starbuck	Nov. 4 @ 1:30pm	Starbuck Community Hall	Saskatoon	Nov. 10 @ 12pm	Travelodge Hotel
Steinbach	Nov. 5 @ 12pm	Smitty's Restaurant	*** Lunch will be served at all meetings		

Canadian delivered soymeal prices opened higher this morning. Ongoing fears of tightening global supplies are the driving force behind the increase in soybean meal prices this morning. Lower ending supply forecasts in the U.S. are placing higher importance on South American production, where drought-like conditions are currently affecting planting progress.

Canadian delivered corn prices opened higher this morning. A U.S. government report released yesterday, which allows for increased use of ethanol in gasoline is seen to be driving the already surging corn market higher. With corn prices reaching \$6 a bushel, ethanol plants, livestock producers, and other users of corn are increasing their buying significantly.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		121.57 122.03	121.71 126.18	123.55 132.78	134.16 136.01	136.75 140.44	140.12 149.82	153.14 154.99	153.14 156.84	
(Maple Leaf Sig. #4)		121.38 124.23	122.27 127.44	125.27 130.28	132.24 134.39	135.64 138.50	137.92 143.65	147.94 150.44	149.91 152.41	
Estimated Hog Margin		6.61	7.21	9.97	15.18	16.39	18.62	25.12	25.84	
Soymeal Delivered	387	391	391	393	392	392	390	390	397	397
Corn Delivered	224	224	224	226	228	230	232			



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

