



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, October 19, 2010

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

US Slaughter	
422,000 – Monday's	
423,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$62.99
Western Corn Belt	\$62.95
Daily National Price	\$71.44
Daily Sig3(M.Leaf)	\$117.11
Daily Sig4(M.Leaf)	\$128.70
4-Month Fwd Avg	\$127.62
#1 Export Sows (+500lbs)	\$43.25 cwt
B of C Ex. Rate (Noon)	\$1.0149CAD / \$.9853US
Cash Prices: Week Ending October 15th, 2010	
57.85/127.53 Signature #3	
61.31/135.16 Signature #4	
57.69/127.19 MPMC Cash	
54.76/120.72 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 higher this morning. U.S. packers are easily finding the live supplies they require to meet their slaughter schedule, resulting in weaker cash bids. Both hog numbers and carcass weights are up higher than was expected in this timeframe given that the last Hogs and Pigs Report forecasted a 3% deficit to last year, while last week was only 1% lower. February and April lean hog futures currently hold an \$8 - \$12 premium over the current cash market, a premium that is significantly larger than the historical relationship.

FALL MARKETING MEETINGS					
Brandon	Nov. 3 @ 12pm	Royal Oak Inn & Suites	Swift Current	Nov. 9 @ 12pm	Wong's Kitchen
Starbuck	Nov. 4 @ 1:00pm	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 lower this morning. An increase in strength for the U.S. Dollar is working to move soybean prices lower this morning. The increase came after news that China had raised bank lending rates for the first time since 2007, in an effort to slow food price inflation. Increased moisture in parched areas of Brazil is also putting pressure on soybean prices.

Canadian delivered corn prices opened lower this morning. Corn futures moved lower after an increase in interest rates in China sent the U.S. Dollar higher. Traders are expecting China, an important buyer of U.S. commodities, will not adjust its use of feed grains with the news. As well, 68% of corn has been harvested according to the USDA, well above the 5-year average of 39%.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		117.87	119.05	120.95	131.87	135.01	138.58	153.52	153.52	
		117.87	122.14	130.45	133.77	138.81	148.57	155.42	157.33	
(Maple Leaf Sig. #4)		117.45	118.36	122.92	130.09	134.05	136.50	148.29	150.32	
		117.45	123.69	128.07	132.30	136.99	142.40	150.87	152.90	
Estimated Hog Margin		0.42	1.97	4.69	9.13	12.73	14.92	23.80	24.51	
Soymeal Delivered	377	380	383	376	381	381	392	392	387	387
Corn Delivered	221	221	221	223	225	227	229			



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

