

Hog Margin Outlook

Meeting Your Marketing Needs

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



Monday, October 25, 2010

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

US Slaughter	
2.331 Mill. – Last Week's	
2.323 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	63.15
Western Corn Belt	\$62.92
Daily National Price	\$67.60
Daily Sig3(M.Leaf)	\$118.37
Daily Sig4(M.Leaf)	\$123.15
4-Month Fwd Avg	\$128.84
#1 Export Sows (+500lbs)	\$43.25 cwt
B of C Ex. Rate (Noon)	\$1.0263CAD / \$0.9743US
Cash Prices: Week Ending October 22nd, 2010	
53.22/117.32 Signature #3	
57.61/127.00 Signature #4	
53.29/117.49 MPMC Cash	
50.09/110.42 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. US cash markets are expected to start this week lower, but the weakness that has been seen in packer bids is expected to slow, as packers have strong incentives to add hours to their production schedule. Packer margins are estimated at close to \$25.00 per hog. Friday's release of the Cold Storage Report showed another huge drop in inventory in September, reflecting the tight live hog supplies at the time. Pork supplies were down about 20% from year ago levels, while bellies dropped close to 90% compared to last year. Lean Hog futures received a much needed shot in the arm late last week finishing close to \$4.00/cwt higher than where it started the week. The Canadian Dollar has also allowed for a dramatic improvement in forward prices, trading near US\$0.97.

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. The soybean complex is trading higher as strong export demand remains an underpinning feature. The USDA confirmed private sales of 165,000 tonnes of U.S. soybeans to an undisclosed buyer, which traders suspect to be China. As well, the Russian Prime Minister confirmed the grain export ban would be extended to July.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher due to weakness in the U.S. Dollar combined with ongoing support from the sale of U.S. corn to South Korea last week. Also contributing to the bullish movement is the announcement that China may see a shortfall of 7 million tonnes this year, as production was seen being well short of demand.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			118.79 121.88	123.00 130.96	132.36 136.11	134.38 138.13	139.14 149.00	152.48 155.76	153.42 158.11	155.27 157.15
(Maple Leaf Sig. #4)			118.57 123.81	124.37 129.44	131.44 133.98	134.85 137.02	137.55 145.01	147.65 151.47	151.84 154.02	151.45 153.28
Estimated Hog Margin			1.97	4.69	9.13	12.73	14.92	23.80	24.51	
Soymeal Delivered	384	386	389	391	394	394	398	398	401	401
Corn Delivered	230	230	230	232	234	236	238			



25% Off
 All In Store
 Items!



LYSINE ANDREW or WENDY
 1-888-309-8223