



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, October 27, 2010

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

US Slaughter	
425,000	– Tuesday's
428,000	– Tuesday's (year ago)
US Iowa/Sthrn MN	\$62.95
Western Corn Belt	\$62.80
Daily National Price	\$66.75
Daily Sig3(M.Leaf)	\$117.68
Daily Sig4(M.Leaf)	\$121.12
4-Month Fwd Avg	\$129.33
#1 Export Sows (+500lbs)	\$40.00 cwt
B of C Ex. Rate (Noon)	\$1.0223CAD / \$0.9782US
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. U.S. packers had their operating margins narrow up after yesterday's sharp drop in the pork cut-out, which fell more than \$2.00/cwt. Belly prices have dropped more than \$50/cwt over the last 3 weeks, which has weighed down the cut-out value. Lean hog futures have come under some pressure as funds have been selling out of their record large long position. Recently volume and open interest has been very high while funds have been active.

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. A stronger U.S. Dollar is working to move soybean prices lower this morning along with weakness in Asian grain markets and the absence of any official export sale announcements from the USDA. Downside movement may be limited; however, as high corn prices are likely to attract more acres, thereby reducing soybean output.

Canadian delivered corn prices opened higher this morning. Corn markets are trading higher this morning despite pressure from an increased U.S. Dollar. As well, market participants are cautious as they await USDA updates for harvest forecasts and export sales. Fresh export demand would extend recent gains, as corn futures have risen 75% since June on reports from tightening supplies.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			119.28 121.99	123.55 131.63	133.05 136.85	134.80 138.60	138.91 148.87	153.14 156.46	154.09 158.84	155.71 157.60
(Maple Leaf Sig. #4)			118.68 124.00	124.98 130.13	132.15 134.73	135.32 137.52	137.37 144.90	148.30 152.16	152.52 154.73	151.88 153.72
Estimated Hog Margin			2.99	6.48	11.39	12.93	16.64	24.48	25.74	24.85
Soymeal Delivered	381	384	387	389	392	392	398	398	403	403
Corn Delivered	226	226	226	228	230	232	234			

Rothsay Animal Vegetable Feed Fat

\$698/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

