



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, October 28, 2010

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

US Slaughter	
425,000	– Wednesday's
432,000	– Wednesday's (year ago)
US Iowa/Sthrn MN	\$61.37
Western Corn Belt	\$61.37
Daily National Price	\$66.61
Daily Sig3(M.Leaf)	\$116.09
Daily Sig4(M.Leaf)	\$122.02
4-Month Fwd Avg	\$126.00
#1 Export Sows (+500lbs)	\$40.00 cwt
B of C Ex. Rate (Noon)	
\$1.0320CAD / \$.9690US	
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

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Forward contract prices opened lower this morning. U.S. cash markets are lower this morning, following the trend of the last three weeks that has seen prices drop by 25%. Weekday slaughter capacity has been met for the last several weeks, leaving the Saturday schedule to clean up the excess supplies. Packers have been able to maintain operating margins at close to \$20/hog recently, despite weakness in the wholesale pork prices. Lean hog futures continue to hold a premium to the cash market implying the general belief that hog supplies will not be maintained at current levels. The Canadian Dollar is trading higher this morning with influence from higher commodity prices and a weaker U.S. Dollar due to expectations of more monetary stimulus coming from the U.S. Federal Reserve.

Canadian delivered soymeal prices opened higher this morning. A weak U.S. Dollar and strong export demand are the driving forces behind increases in the soybean complex today. Relentless sourcing of U.S. soybeans to China remains an underpinning feature with the announcement that 1.477 million tons were shipped there last week, out of a total shipping amount of 1.934 million tons.

Canadian delivered corn prices opened higher this morning. Concern regarding global supply of grains is expected to drive up purchases by corn users this morning, pushing prices upward. Spillover support from wheat futures, which have climbed on fear of dry weather in the U.S. threatening the 2011 crop, is also contributing to the bullish movement of corn.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			116.52	120.25	129.67	131.36	136.23	151.57	152.51	155.33
			118.87	128.25	133.44	135.13	146.17	154.88	157.24	157.23
(Maple Leaf Sig. #4)			115.66	121.73	128.85	131.95	134.76	146.77	150.99	151.52
			120.95	126.84	131.40	134.14	142.28	150.62	153.19	153.35
Estimated Hog Margin			2.99	6.48	11.39	12.93	16.64	24.48	25.74	24.85
Soymeal Delivered	390	392	395	399	402	402	406	406	404	404
Corn Delivered	229	229	229	231	233	235	237			

Rothsay Animal Vegetable Feed Fat

\$703/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

