

Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, October 29, 2010

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

US Slaughter	
424,000 – Thursday's	
431,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$59.49
Western Corn Belt	\$59.40
Daily National Price	\$66.24
Daily Sig3(M.Leaf)	\$111.08
Daily Sig4(M.Leaf)	\$119.95
4-Month Fwd Avg	\$124.62
#1 Export Sows (+500lbs) \$40.00 cwt	
B of C Ex. Rate (Noon) \$1.0202CAD / \$.9802US	
Cash Prices: Week Ending October 29th, 2010	
52.55/115.86 Signature #3	
55.14/121.56 Signature #4	
52.18/115.03 MPMC Cash	
49.65/109.45 Springhill	

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Forward contract prices opened lower this morning. Abundant hog supplies are burdening cash prices this week as producers attempt to remain current with their marketings. Packers are controlling their operating margins by dropping their bids for live supplies, more than \$2.00/cwt in yesterday's trade. Lean hog futures are holding a large premium over the current cash market, as traders believe that the current supply of hogs is a bubble and numbers will drop to levels of 2% under year ago levels over the next several weeks.

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. As well, weaknesses in crude oil futures, along with improved planting conditions in South America are adding to the bearish movement. Brazil and Argentina are expected to produce record crops to compensate for rising global demand.

Canadian delivered corn prices opened steady this morning. End of the month profit taking is working to push corn prices down from two-year highs this morning. However, the pressure is competing with reports from the International Grain Council on Thursday, for projected global corn stocks to fall to a four-year low of 125 million tons, 5.3% below the latest USDA estimate.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			115.31 117.64	118.91 126.86	128.26 132.00	129.85 133.59	134.90 144.78	149.86 153.16	150.80 155.51	153.83 155.71
(Maple Leaf Sig. #4)			114.46 119.70	120.40 125.47	127.46 130.00	130.45 132.63	133.46 140.93	145.12 148.95	149.31 151.50	150.06 151.89
Estimated Hog Margin			2.99	6.48	11.39	12.93	16.64	24.48	25.74	24.85
Soymeal Delivered	384	384	387	392	399	399	401	401	402	402
Corn Delivered	230	230	230	232	234	236	238			



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