

# Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, November 08, 2010

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

US Slaughter	
2.338 Mill. — Last Week's	
2.299 Mill. — Last Week's (year ago)	
US Iowa/Sthrn MN	\$61.01
Western Corn Belt	\$60.81
Daily National Price	\$63.87
Daily Sig3(M.Leaf)	\$111.63
Daily Sig4(M.Leaf)	\$113.54
4-Month Fwd Avg	\$127.54
#1 Export Sows (+500lbs)	\$40.00 cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0015CAD / \$.9985US	
<b>Cash Prices: Week Ending November 5th, 2010</b>	
49.01/108.04 Signature #3	
52.28/115.25 Signature #4	
48.80/107.59 MPMC Cash	
46.33/102.14 Springhill	

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**Forward contract prices opened steady this morning.** U.S. cash markets are trading steady to higher this morning after last week's volatile movement. Heavier hogs are still working to put pressure on the market. This movement may have changed, however, as late last week the national base market 5-day average carcass weights turned lower for the first time in the past few months. Nevertheless, weights are still at historical highs. As well, slaughter levels from last week are again higher than year ago levels, though they are not expected to get any higher ahead of Remembrance Day. The Canadian Dollar is trading at U.S.\$0.9950 this morning.

**Canadian delivered soymeal prices opened lower this morning.** Soybean prices are moving lower after the U.S. Dollar strengthened overnight. A lack of fresh export demand along with a decrease in crude oil futures is also putting pressure on prices. Analysts are projecting soybean ending stocks of 3.426 billion bu., which will be up from the October USDA estimate of 3.408 billion bu.

**Canadian delivered corn prices opened lower this morning.** Corn markets are trading lower this morning ahead of tomorrow's update to USDA supply and harvest estimates. Traders are anticipating another decrease in corn yield projections due to disappointing yield results throughout the Midwest.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		115.42 116.89	119.66 127.50	128.89 132.58	131.93 135.63	136.45 146.16	151.77 155.01	152.70 157.32	155.00 156.85	155.65 155.65
(Maple Leaf Sig. #4)		117.92 118.82	121.06 126.06	128.03 130.53	132.41 134.55	134.91 142.26	146.97 150.73	151.09 153.24	151.17 152.96	152.15 152.69
Estimated Hog Margin		1.53	1.92	6.67	8.54	12.44	20.93	22.25	22.43	
Soymeal Delivered	394	396	399	406	406	409	409	409	409	410
Corn Delivered	228	228	228	230	232	234	236			