



# Hog Margin Outlook

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Monday, November 15, 2010

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

US Slaughter	
2.320 Mill. – Last Week's	
2.295 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$63.65
Western Corn Belt	\$63.52
Daily National Price	\$65.34
Daily Sig3(M.Leaf)	\$117.36
Daily Sig4(M.Leaf)	\$116.91
4-Month Fwd Avg	\$128.27
#1 Export Sows (+500lbs)	\$38.00 cwt
<b>B of C Ex. Rate (Noon)</b>	\$1.0080CAD / \$.9921US
<b>Cash Prices: Week Ending November 12th, 2010</b>	
50.93/112.27 Signature #3	
51.81/114.23 Signature #4	
50.13/110.51 MPMC Cash	
47.70/105.17 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.** Pork prices moved higher on Friday, leading to an increase in the U.S. cash market this morning. The move is also expected to have an impact on lean hog futures, with a concentration for buying in the nearby months. A snowstorm passing through parts of Minnesota and Iowa on the weekend is no longer having an impact on the transport of hogs. As well, hog slaughter for last week was at 2.32 million hogs, which is down 0.8% from the week before, but up 1.1% compared to last year. The Canadian Dollar remains strong, hovering close to par with the U.S. Dollar.

**Canadian delivered soymeal prices opened higher this morning.** A commodity wide sell-off on Friday moved soybean prices lower going into the weekend. However, prices moved higher this morning as the market is working to stabilize itself. The threat of China raising interest rates caused the tumble in prices on Friday, as an increase in interest rates would dilute the strength of Chinese demand.

**Canadian delivered corn prices opened higher this morning.** Corn markets are expected to rebound slightly as worries subside over Chinese demand. The bullish movement comes as a result of the USDA announcement that 281,000 tons of U.S. corn has been sold to South Korea, and 120,000 tons has been sold to Egypt. The major increase in export sales is expected to underpin prices.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		112.87 114.26	118.89 126.76	130.00 133.70	130.87 134.57	136.04 145.83	151.86 155.12	152.79 157.45	154.69 156.56	150.20 154.87
(Maple Leaf Sig. #4)		117.19 117.19	121.22 125.88	129.65 132.16	131.39 133.54	134.53 141.94	146.60 150.39	150.76 152.92	150.43 151.97	149.89 151.51
Estimated Hog Margin		1.44	2.97	8.60	10.60	14.66	23.03	24.37	23.77	23.32
Soymeal Delivered	399	401	403	410	410	410	410	408	408	406
Corn Delivered	215	215	215	217	219	221	225			



**J & R LIVESTOCK CONSULTANTS LTD.**

**L-LYSINE HCL 98% - \$2.30 / KG ↑ (1-2 MT)**

\*Price quoted is FOB Winnipeg– Price subject to change without notice



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