



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, November 17, 2010

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

US Slaughter	
427,000	– Tuesday's
428,000	– Tuesday's (year ago)
US Iowa/Sthrn MN	\$60.20
Western Corn Belt	\$60.42
Daily National Price	\$66.33
Daily Sig3(M.Leaf)	\$113.31
Daily Sig4(M.Leaf)	\$120.46
4-Month Fwd Avg	\$129.51
#1 Export Sows (+500lbs)	\$37.75 cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0231CAD / \$0.9774US	
<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 higher this morning.** U.S. cash markets are expected to trade closer to steady this week as packers have excess capacity in the latter part of this week. Excellent operating margins continue to provide strong incentives to packers to maintain a high production level, which should lead to a price recovery. However, the U.S. Thanksgiving Holiday that is a little more than a week away will start to have a negative impact on prices as the U.S. weekly slaughter will drop by close to 20%, forcing producers to delay marketings. Nearby lean hog futures dropped more than \$1.00/cwt yesterday, partially in reaction to China's decision to sell pork from storage in an effort to minimize inflation. Longer term, this could be a benefit to pork markets as China could be back in the world market looking to replenish their tight supplies.

**Canadian delivered soymeal prices opened lower this morning.** Lingering concerns regarding a possible increase in Chinese interest rates has traders continuing to liquidate risky market positions, which are moving soybean prices lower this morning. Downside movement is expected to be limited, however, strong export demand and limited year-end supplies persist in underpinning prices.

**Canadian delivered corn prices opened lower this morning.** Corn futures opened lower this morning over unease regarding Chinese import strength, however, only a slight decrease overnight signaled the recent sell-off may be slowing. The supply outlook for corn is expected to limit further decreases as the USDA has projected next year's corn supplies to be at their tightest level in 15 years.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		114.18 115.59	120.27 128.22	131.49 135.24	131.87 135.61	136.86 146.74	152.48 155.78	153.42 158.13	155.93 157.82	152.05 156.78
(Maple Leaf Sig. #4)		118.55 118.55	122.62 127.33	131.14 133.68	132.41 134.58	135.36 142.83	147.20 151.03	151.39 153.58	151.64 153.20	151.73 153.38
Estimated Hog Margin		1.01	3.82	9.52	10.29	14.50	23.61	25.05	24.94	22.95
Soymeal Delivered	394	396	397	397	397	400	400	404	404	400
Corn Delivered	215	215	215	217	219	220	222			



## Rothsay Animal Vegetable Feed Fat

\$728/tonne ↑ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

