



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, November 18, 2010

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

US Slaughter	
427,000 – Wednesday's	
437,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$59.86
Western Corn Belt	\$59.89
Daily National Price	\$66.24
Daily Sig3(M.Leaf)	\$112.05
Daily Sig4(M.Leaf)	\$120.01
4-Month Fwd Avg	\$131.15
#1 Export Sows (+500lbs)	\$37.75 cwt
B of C Ex. Rate (Noon)	
\$1.0207CAD / \$.9797US	
Cash Prices: Week Ending November 12th, 2010	
50.93/112.27 Signature #3	
51.81/114.23 Signature #4	
50.13/110.51 MPMC Cash	
47.70/105.17 Springhill	

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Forward contract prices opened higher this morning. Cash markets remain weak as producers start to address next week's reduced kill schedule by pulling hogs ahead of their normal delivery schedule, allowing packers to fill their shackle space without higher bids. Total pork production remains huge as carcass weights still exceed year ago levels by 5 lbs, while the recent trend has turned lower. Dec. and Feb. lean hog futures continue to hold a higher than average premium over the cash market, forcing traders to follow the cash market lower to avoid having that premium grow. The Canadian Dollar has provided some support to both cash and forward prices as it has dropped close to 2 cents over the last week. However, the loonie is recovering some of those losses this morning on higher commodity prices and easing concern over Ireland's debt trouble.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading sharply lower this morning as investors continue to exit the market to take profits or reduce their exposure to soybeans amid beliefs that prices were overvalued. Excellent growing conditions throughout South America are also contributing to the bearish movement of soybeans.

Canadian delivered corn prices opened lower this morning. The corn market opened lower this morning as worries regarding export demand continue to weigh on prices. Previous expectations were for China to be a major consumer of U.S. corn; however, a possible increase in interest rates and/or the implementation of price controls would drastically reduce Chinese imports.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		115.31 116.71	121.39 129.34	132.62 136.36	134.39 138.14	138.89 148.73	154.13 157.41	155.07 159.76	156.94 158.82	152.99 157.69
(Maple Leaf Sig. #4)		119.63 119.63	123.71 128.42	132.23 134.76	134.85 137.03	137.31 144.75	148.80 152.62	152.98 155.16	152.61 154.16	152.61 154.25
Estimated Hog Margin		1.01	3.82	9.52	10.29	14.50	23.61	25.05	24.94	22.95
Soymeal Delivered	393	395	399	399	399	406	406	405	405	401
Corn Delivered	214	214	214	216	218	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

