

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, November 23, 2010

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

US Slaughter	
426,000	— Monday's
427,000	— Monday's (year ago)
US Iowa/Sthrn MN	\$60.69
Western Corn Belt	\$60.59
Daily National Price	\$65.02
Daily Sig3(M.Leaf)	\$113.14
Daily Sig4(M.Leaf)	\$117.57
4-Month Fwd Avg	\$135.80
#1 Export Sows (+500lbs)	\$39.00 cwt
B of C Ex. Rate (Noon)	
\$1.0187CAD / \$.9816US	
Cash Prices: Week Ending November 19th, 2010	
51.50/113.53	Signature #3
53.91/118.86	Signature #4
51.08/112.61	MPMC Cash
48.48/106.87	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. U.S. packers started the week with higher bids, despite this week's production schedule being close to 20% smaller than in recent weeks due to U.S. Thanksgiving holiday. USDA released the October Cold Storage Report yesterday, which showed that stocks grew from September by about 13%. This was expected due to the surge in production that we saw in the latter half of the month, however, supplies are still down from year ago levels by 7%. Lean hog futures continue to hold a significant premium to the cash market, representing an opportunity to hedge against weaker prices in the weeks following the Christmas holiday. Forward contract prices for the first week of January are currently \$10/kg higher than current prices where typically prices trade at a discount for this time of year.

Canadian delivered soymeal prices opened higher this morning. The soybean complex moved sharply higher this morning, rebounding from the sell-off last week. Traders announced that Friday's decreases of 3.3% were overdone as Chinese export demand remains strong. Concern regarding lack of rainfall in South America is also contributing to the bullish movement.

Canadian delivered corn prices opened lower this morning. The corn market is trading lower this morning as concern regarding Ireland's debt crises, along with reports of gunfire exchanged between North and South Korea caused uncertainty in global markets. As a result, investors drove the U.S. Dollar higher, thereby putting pressure on commodity prices.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			124.51	135.78	137.28	141.40	155.14	156.08	157.56	152.91
			132.49	139.54	141.04	151.26	158.43	160.78	159.45	157.62
(Maple Leaf Sig. #4)			126.75	135.31	137.67	139.74	149.78	153.96	153.22	152.54
			131.49	137.86	139.86	147.20	153.60	156.14	154.77	154.18
Estimated Hog Margin			7.66	13.70	15.33	19.64	27.10	28.51	27.58	25.60
Soymeal Delivered	389	391	394	398	398	404	404	400	400	397
Corn Delivered	207	207	207	209	211	213	215			



Rothsay Animal Vegetable Feed Fat

\$703/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

