

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, November 26, 2010

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

US Slaughter	
423,000 – Thursday's	
426,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$64.65
Western Corn Belt	\$64.20
Daily National Price	\$65.47
Daily Sig3(M.Leaf)	\$118.66
Daily Sig4(M.Leaf)	\$117.17
4-Month Fwd Avg	\$137.00
#1 Export Sows (+500lbs) \$39.00 cwt	
B of C Ex. Rate (Noon) \$1.0083CAD / \$0.9918US	
Cash Prices: Week Ending November 26th, 2010	
52.00/114.64 Signature #3	
53.58/118.12 Signature #4	
51.37/113.26 MPMC Cash	
49.60/109.35 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. cash markets are finishing this short holiday week with higher bids as the hog supply has been difficult to access with yesterday's Thanksgiving holiday. It is not uncommon for the cash trade to slow on the Friday following the Thursday holiday as producers choose to limit their deliveries in favour of an extended weekend. Next week, cash bids could come under some pressure early in the week, but will likely be supported by the declining supply of hogs before the end of the week. Lean hog futures are being supported by both wholesale and retail prices for pork, maintaining significantly higher levels than last year at this time. The Canadian Dollar is maintaining a level near U.S.\$0.99, with the bearish factor of Ireland's debt crisis offsetting the bullish factor of firmer commodity prices this week.

Canadian delivered soymeal prices opened lower this morning. A strengthening U.S. Dollar is working to move soybean prices lower this morning despite strong gains in crude oil prices and continuing exports to China. Losses are expected to be limited due to concern regarding dryness in South America, which could devastate production.

Canadian delivered corn prices opened lower this morning. The corn market is trading lower this morning on concerns that Chinese reserves will reduce demand for imported grain. We could see gains later in the day, however, as non-commercial traders rebuild their net-long futures position.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			125.63	136.86	138.92	142.22	154.96	155.89	157.99	153.41
			133.58	140.60	142.66	151.98	158.21	160.54	159.86	158.08
(Maple Leaf Sig. #4)			127.82	136.34	139.24	140.51	149.61	153.75	153.63	152.99
			132.53	138.88	141.41	147.90	153.39	155.91	155.16	154.62
Estimated Hog Margin			7.66	13.70	15.33	19.64	27.10	28.51	27.58	25.60
Soymeal Delivered	395	397	400	404	404	407	407	409	409	406
Corn Delivered	209	209	209	211	213	215	217			



Rothsay Animal Vegetable Feed Fat

\$713/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

