



# Hog Margin Outlook

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Monday, November 29, 2010

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

US Slaughter	
2.064 Mill, – Last Week's	
2.042 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$64.59
Western Corn Belt	\$64.40
Daily National Price	\$6614
Daily Sig3(M.Leaf)	\$120.30
Daily Sig4(M.Leaf)	\$119.64
4-Month Fwd Avg	\$139.52
#1 Export Sows (+500lbs)	\$39.00 cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0191CAD / \$.9813US	
<b>Cash Prices: Week Ending November 26th, 2010</b>	
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 higher this morning.** The U.S. cash market opened with higher bids this morning after hog plants processed 2.064 million head last week, which was 11.3% less than the week previous. The decrease was mainly due to the U.S. Thanksgiving holiday shortening the week. Dressed weights for hogs were maintained from the previous week continuing a recent pattern that indicates the pork industry may finally be keeping up with performance levels in getting hogs moved to slaughter. As well, the U.S. saw the highest ever Saturday kill on November 27, mainly due to a weekday holiday and seasonally high hog supplies.

**Canadian delivered soymeal prices opened lower this morning.** A strong U.S. Dollar is working to move soybean prices lower this morning. The Dollar's strength comes as a result of continued debt concerns in Europe. The announcement that China plans to auction 300,000 tons of soybeans from its reserves in the face of strong demand and crush margins is also putting pressure on prices.

**Canadian delivered corn prices opened higher this morning.** Increases in export demand is the main factor driving corn prices higher this morning. U.S. export sales for last week came in well above market expectations at 823,000 tonnes with South Korea, Japan and Egypt as the biggest buyers. Also contributing to the bullish movement is a lack of rainfall in corn producing areas of Argentina.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			125.61	136.90	139.92	143.80	157.04	157.98	159.60	154.89
			133.61	140.67	143.68	153.66	160.32	162.67	161.48	159.60
(Maple Leaf Sig. #4)			127.83	136.40	140.23	142.07	151.61	155.80	155.19	154.46
			132.57	138.95	142.42	149.52	155.43	157.98	156.73	156.10
Estimated Hog Margin			7.66	13.70	15.33	19.64	27.10	28.51	27.58	25.60
Soymeal Delivered	393	395	399	403	403	410	410	406	406	403
Corn Delivered	212	212	212	214	216	218	220			



## 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

