



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, December 01, 2010

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

US Slaughter	
428,000	– Tuesday's
434,000	– Tuesday's (year ago)
US Iowa/Sthrn MN	\$67.73
Western Corn Belt	\$67.61
Daily National Price	\$67.24
Daily Sig3(M.Leaf)	\$127.20
Daily Sig4(M.Leaf)	\$122.50
4-Month Fwd Avg	\$137.52
#1 Export Sows (+500lbs)	\$39.00 cwt
B of C Ex. Rate (Noon)	
\$1.0264CAD / \$0.9743US	
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

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Forward contract prices opened lower this morning. U.S. cash prices are trading firm this morning after huge gains in yesterday's trade. However, wholesale pork prices have not kept pace with what packers are bidding for live supplies, resulting in more than a \$5.00/hog drop in estimated packer margins. Nearby lean hog futures experienced some weakness in response to the cash market fundamentals. However, the summer month contracts were close to steady as traders reference the large sow slaughter seen over the last several weeks. The Canadian Dollar is up sharply this morning, recovering from yesterday's steep decline, which took the loonie to less than U.S.\$0.9725, the lowest level in more than a month. The strength in our currency comes in part from higher Crude oil prices, which have strengthened due to ideas of tighter U.S. inventory.

Canadian delivered soymeal prices opened higher this morning. Increases in both the gold and energy markets along with a weaker U.S. Dollar are contributing to soybean prices trading higher this morning. News that the Chinese economy is stronger than anticipated is also providing support for prices, together with concern regarding dryness in Argentina.

Canadian delivered corn prices opened higher this morning. Spillover support from both wheat and soybeans are moving corn prices higher this morning along with a weaker U.S. Dollar. As well, the announcement by Argentina's Agriculture Minister saying that the Chinese Quarantine Bureau may start to accept Argentinian corn by the first half of 2011 is seen as a supportive feature.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			124.28	135.54	137.29	141.30	156.47	157.41	159.43	155.67
			132.26	139.30	141.04	151.13	159.75	162.10	161.31	160.37
(Maple Leaf Sig. #4)			126.53	135.07	137.67	139.64	151.07	155.24	155.03	155.21
			131.26	137.62	139.85	147.08	154.88	157.42	156.57	156.85
Estimated Hog Margin			6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41
Soymeal Delivered	404	404	406	409	409	410	410	410	410	412
Corn Delivered	216	216	216	218	220	222	224			



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

