



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, December 06, 2010

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

US Slaughter	
421,000 – Last Week's	
429,000 – Last Week's (year ago)	
US Iowa/Sthrn MN	\$65.55
Western Corn Belt	\$65.43
Daily National Price	\$69.40
Daily Sig3(M.Leaf)	\$120.65
Daily Sig4(M.Leaf)	\$123.92
4-Month Fwd Avg	\$136.75
#1 Export Sows (+500lbs)	\$39.50 cwt
B of C Ex. Rate (Noon)	\$1.0060CAD / \$.9940US
Cash Prices: Week Ending December 3rd, 2010	
55.89/123.21 Signature #3	
55.40/122.13 Signature #4	
54.74/120.69 MPMC Cash	
52.93/116.68 Springhill	

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Forward contract prices opened lower this morning. After ending \$4.00 higher last week, U.S. cash markets are expected to trade higher again this morning. Increased daily hog slaughter and record weights this fall are pushing more pork into cold storage. At the end of October, frozen stocks were up 12.7% from the month before. As well, the U.S. economy added fewer jobs in November than expected, and the unemployment rate climbed to 9.8%, which is the highest in six months. Increased unemployment has a negative effect on meat demand. Relatively high wholesale pork prices in recent months have come as a result of small supplies as opposed to high demand.

Canadian delivered soymeal prices opened higher this morning. Weakness in the U.S. Dollar along with advancing wheat values is working to underpin soybean prices this morning. Weather uncertainty in Argentina is also providing support as planting is currently 57.2% complete, which is down from 65.5% from last year at this time. There are no forecasts for rain for the next week.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower as traders indicated some nervousness in the market due to the possible end of a \$6 billion per year subsidy for the ethanol industry. The announcement from the Chinese agriculture minister stating that no deal had been struck between China and Argentina for corn import sales is also moving corn prices lower.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			122.53	133.17	134.13	138.72	153.99	154.92	157.10	152.73
			129.93	136.87	137.83	148.47	157.24	159.56	158.96	157.38
(Maple Leaf Sig. #4)			124.30	132.72	134.54	137.12	148.67	152.81	152.76	152.31
			128.96	135.22	136.69	144.49	152.45	154.96	154.29	153.93
Estimated Hog Margin			6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41
Soymeal Delivered		406	406	407	407	411	411	410	410	413
Corn Delivered		222	222	224	226	228	230			



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

