



# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, December 07, 2010

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

US Slaughter	
425,000 – Monday's	
428,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$65.08
Western Corn Belt	\$65.05
Daily National Price	\$69.21
Daily Sig3(M.Leaf)	\$119.93
Daily Sig4(M.Leaf)	\$123.56
4-Month Fwd Avg	\$135.76
#1 Export Sows (+500lbs)	\$39.60 cwt
<b>B of C Ex. Rate (Noon)</b>	\$1.0058CAD / \$0.9942US
<b>Cash Prices: Week Ending December 3rd, 2010</b>	
55.89/123.21 Signature #3	
55.40/122.13 Signature #4	
54.74/120.69 MPMC Cash	
52.93/116.68 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.** The U.S. cash market traded steady to lower yesterday, and is expected to continue its downward tendency this morning. However, traders are expecting decreases to be limited by some U.S. government initiatives such as tax cuts, an extension of unemployment benefits and a payroll tax deduction. The market is continuing to be seen as being in the process of absorbing peak seasonal production, and futures currently hold a significant but normal premium to the cash market. Due to heavier weights, we saw higher production than was expected last week, which put pressure on the pork cut-out last Friday.

**Canadian delivered soymeal prices opened higher this morning.** Outside market forces are working to move soybean prices higher this morning as the U.S. Dollar weakened overnight. As well, talk of continuing strong demand from China, weather concerns affecting Argentinean production, and increases in crude oil futures are working to support soybean prices.

**Canadian delivered corn prices opened higher this morning.** With the U.S. Dollar moving lower overnight due to inflation concerns, corn markets opened higher this morning. Persistent strength in wheat is expected to contribute support for corn. Upside movement may be limited due to concerns regarding the possible loss of ethanol subsidies, and the negative affect that it would have on demand.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			121.23	131.86	133.43	137.75	153.73	154.65	156.81	152.73
			128.62	135.55	137.13	147.47	156.97	159.28	158.67	157.37
(Maple Leaf Sig. #4)			123.03	131.45	133.86	136.18	148.42	152.54	152.48	152.30
			127.69	133.95	136.01	143.52	152.18	154.69	154.01	153.92
Estimated Hog Margin			6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41
Soymeal Delivered		404	404	406	406	410	410	407	407	409
Corn Delivered		224	224	226	228	230	232			



## 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

