



Hog Margin Outlook

Meeting Your Marketing Needs

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www.mpmc.mb.ca & www.spimg.ca

Thursday, December 09, 2010

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

US Slaughter	
426,000 – Wednesday's	
288,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$66.74
Western Corn Belt	\$66.44
Daily National Price	\$69.31
Daily Sig3(M.Leaf)	\$122.99
Daily Sig4(M.Leaf)	\$124.24
4-Month Fwd Avg	\$136.62
#1 Export Sows (+500lbs) \$39.60 cwt	
B of C Ex. Rate (Noon) \$1.0099CAD / \$0.9902US	
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 higher this morning. The U.S. cash market climbed mid-morning yesterday after starting off at its lowest level since November 18th, and is expected to remain firm this morning. Early weakness was led by a sharp sell-off in gold, a strengthening U.S. Dollar, and decreases in cattle. Typically at this time of year, we see a seasonal weakness in hams as holiday bookings are complete, however, a cold spell forecasted for early next week is providing support for prices on the idea that producer marketings could slow. The weekly average weights were higher again this week, during a time when they would normally decline. This has traders concerned that there could be a back-up of hogs in the U.S.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher again this morning despite a firmer U.S. Dollar and decreases in crude oil futures. The fight against inflation in China has officials looking to put a cap on soybean futures, which is causing poor crushing margins for China. Poor weather in Argentina is also underpinning prices.

Canadian delivered corn prices opened higher this morning. Concern that the USDA will again tighten ending stocks from 15-year lows posted last month, a surge in weekly ethanol production to a new high and talk regarding a possible ethanol subsidy are all working to move corn prices higher this morning. As well, cold weather forecasts are expected to increase feed demand in the Midwest, which will also provide support for prices.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			122.32	132.99	133.96	138.19	155.13	156.06	158.12	154.11
			129.74	136.70	137.67	148.19	158.38	160.71	159.98	158.77
(Maple Leaf Sig. #4)			124.11	132.56	134.39	136.84	149.77	153.91	153.75	153.66
			128.78	135.07	136.55	144.22	153.55	156.08	155.28	155.28
Estimated Hog Margin			6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41
Soymeal Delivered		409	409	409	409	415	415	417	417	419
Corn Delivered		227	227	229	231	233	235			

CONGRATULATIONS

M & D Buss Farm Inc.

Winner of the November 2010 Sow and Boar Lottery