

# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, December 14, 2010

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

US Slaughter	
425,000 – Monday's	
415,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$65.42
Western Corn Belt	\$65.46
Daily National Price	\$70.08
Daily Sig3(M.Leaf)	\$120.54
Daily Sig4(M.Leaf)	\$124.96
4-Month Fwd Avg	\$138.95
#1 Export Sows (+500lbs) \$38.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0046CAD / \$0.9954US	
<b>Cash Prices: Week Ending December 10th, 2010</b>	
55.25/121.81 Signature #3	
56.25/124.00 Signature #4	
54.48/120.11 MPMC Cash	
52.25/115.18 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 moved steady to lower yesterday, and is expected to remain steady this morning. February contracts traded sharply higher reaching levels not seen since November 26<sup>th</sup>. News that pork exports for the month of October came in at 339 million pounds, which is up from 322 million pounds in September, but down 9.5% from this time last year, was seen as supportive for hog prices. Traders are hopeful that increased packer margins will allow the market to clean up the backlog of hogs in the U.S. as a result of this week's snow storm. The Canadian Dollar lost some strength this morning and is trading just under U.S.\$0.99.

**Canadian delivered soymeal prices opened higher this morning.** Increases in crude oil prices along with a weaker U.S. Dollar are supportive for soybean prices this morning. As well, USDA export estimates were raised by 20 million bushels, setting a new record. Upside movement may be limited due to recent rain in Brazil and some parts of Argentina, combined with selling in grains.

**Canadian delivered corn prices opened higher this morning.** The corn market is trading higher this morning despite the USDA increasing estimated corn ending stocks in Friday's government Supply and Demand Report. Moisture levels in central and eastern Argentina are causing concern for corn development, and are providing support for prices.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			126.25	132.73	134.53	139.04	156.18	157.11	158.63	154.63
			129.49	136.44	138.24	148.79	159.43	161.75	160.49	159.28
(Maple Leaf Sig. #4)			126.02	132.30	134.94	137.43	150.79	154.92	154.24	154.15
			128.54	134.81	137.09	144.80	154.56	157.08	155.77	155.77
Estimated Hog Margin			6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41
Soymeal Delivered		407	407	410	410	415	415	417	417	419
Corn Delivered		229	229	231	233	235	237			



## 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

