



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, December 16, 2010

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

US Slaughter	
427,000 – Wednesday's	
435,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$66.58
Western Corn Belt	\$66.28
Daily National Price	\$69.47
Daily Sig3(M.Leaf)	\$121.92
Daily Sig4(M.Leaf)	\$123.74
4-Month Fwd Avg	\$136.45
#1 Export Sows (+500lbs)	\$38.50 cwt
B of C Ex. Rate (Noon)	
\$1.0035CAD / \$.9965US	
Cash Prices: Week Ending December 10th, 2010	
55.25/121.81 Signature #3	
56.25/124.00 Signature #4	
54.48/120.11 MPMC Cash	
52.25/115.18 Springhill	

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Forward contract prices opened lower this morning. The U.S. cash market is expected to open lower this morning after moving \$0.50 to \$1.00/cwt lower yesterday. Futures are matching the declines in the cash market as talk of the premium that they hold compared to the cash market is seen as a negative feature. Average weights are continuing to come in higher than normal, which is also contributing to the bearish movement. The current weekly average weight is 275.6 pounds, which is unchanged from last week, and up from 268.5 pounds last year at this time. Seasonal weakness in ham prices along with a larger than expected pork supply is also putting pressure on prices this morning. The Canadian Dollar is continuing to trade close to par at U.S.\$0.9950.

Canadian delivered soymeal prices opened lower this morning. Increased strength in the U.S. Dollar pushed soybean prices off their highs yesterday; however, some losses have been slightly recovered due to news that temperatures are expected to reach 40°C this weekend in Argentina. Traders are awaiting a Weekly Export Sales Report, which is to be released today.

Canadian delivered corn prices opened higher this morning. The corn market is trading higher this morning as a result of a slightly weaker U.S. Dollar. As well, the possible extension of the U.S. ethanol tax credit and tariff is seen as supportive during a time when weekly ethanol production is already moving at a pace that would exceed the USDA's corn-for-ethanol projections.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)			123.67	130.14	132.36	136.82	152.57	153.50	155.66	152.05
			126.91	133.84	136.06	146.55	155.81	158.13	157.51	156.68
(Maple Leaf Sig. #4)			123.52	129.79	132.83	135.28	147.30	151.42	151.36	151.63
			126.03	132.29	134.98	142.63	151.06	153.58	152.89	153.25
Estimated Hog Margin			6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41
Soymeal Delivered		405	403	407	407	418	418	417	417	419
Corn Delivered		233	233	235	237	239	241			



Rothsay Animal Vegetable Feed Fat

\$718/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

