

Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, December 17, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↓

US Slaughter	
427,000 – Thursday's	
434,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$66.67
Western Corn Belt	\$66.19
Daily National Price	\$69.93
Daily Sig3(M.Leaf)	\$122.01
Daily Sig4(M.Leaf)	\$124.82
4-Month Fwd Avg	\$139.56
#1 Export Sows (+500lbs) \$38.50 cwt	
B of C Ex. Rate (Noon) \$1.0056CAD / \$0.9944US	
Cash Prices: Week Ending December 17th, 2010	
55.29/121.90 Signature #3	
56.47/124.49 Signature #4	
54.57/120.30 MPMC Cash	
52.47/115.67 Springhill	

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Forward contract prices opened higher this morning. U.S. cash markets are finishing this week on a softer tone as packers are finding it easier to meet their production requirements. Producers are attempting to pull hogs ahead of their normal delivery schedule in order to manage the holiday reduced slaughter weeks ahead. Lean hog futures are seeing some support from recent news that U.S. pork exports in October made slight gains over year ago levels on a volume basis, with the dollar value of the exports improving 9% over October 2009. Traders remain optimistic about hog prices in 2011, as all of the contracts are trading at better than average premium over the current cash market for this time of year. The Canadian Dollar is trading lower at U.S.\$0.9875, down close to half a cent from yesterday's trade.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading slightly higher this morning mainly due to production concerns in Argentina. The bearish move came despite China appearing to have slowed purchases of U.S. soybeans, even cancelling some previously booked loads. Low crush margins are thought to be the reason behind the cancellations.

Canadian delivered corn prices opened higher this morning. After decreasing overnight, a partial recovery in the U.S. Dollar spurred light selling in the corn market overnight, but not enough to move prices lower. Weekly export sales for corn totaled 880,100 tonnes, which is in line with trade expectations. Mexico and Japan were the biggest buyers, as China has yet to step into the corn market in a significant way.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		129.37	132.62	135.16	139.59	154.56	155.49	159.20	154.41	144.61
		133.58	136.33	138.87	149.82	157.82	161.53	161.07	160.00	145.54
(Maple Leaf Sig. #4)		125.91	132.20	135.56	137.97	149.94	153.90	154.80	150.88	143.65
		128.42	134.71	137.72	145.35	153.00	156.60	156.33	155.48	145.64
Estimated Hog Margin		6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41	25.41
Soymeal Delivered	409	406	408	408	417	417	417	417	419	419
Corn Delivered	234	234	236	238	240	242				



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

