

Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, December 20, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↓

US Slaughter	
2.344 Mill. — Last Week's	
2.383 Mill. — Last Week's (year ago)	
US Iowa/Sthrn MN	\$67.32
Western Corn Belt	\$67.14
Daily National Price	\$69.86
Daily Sig3(M.Leaf)	\$124.59
Daily Sig4(M.Leaf)	\$125.54
4-Month Fwd Avg	\$142.59
#1 Export Sows (+500lbs)	\$38.50 cwt
B of C Ex. Rate (Noon)	
\$1.0124CAD / \$.9878US	
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 starting the week steady as packers are cautious to go aggressively after live hog supplies leading up to the holiday reduced schedule in one week's time. Packers did not maximize their production schedule in last week's trade which, in combination with steady carcass weights, indicates that producers are current with marketings. Last week's futures closed with strong gains as fundamental traders are becoming more certain of the limited potential of hog supply growth over the whole of 2011. The Canadian Dollar has been trading at the lower end of its trading range as it sees influence from lower commodity markets and concern over Europe's debt crisis.

Forward Contracting Holiday Schedule

December 24- CLOSED	December 29- Regular Hours	December 31- CLOSED
December 27- CLOSED	December 30- Regular Hours	January 3- CLOSED
December 28- CLOSED		

Canadian delivered soymeal prices opened higher this morning. Three days of high temperatures in Argentina are moving soybean prices higher this morning. Production concerns for the 3rd largest producer of soybeans worldwide threaten global supplies. Strong export demand is also contributing to the bullish movement, with export estimates between 45 and 50 million bushels.

Canadian delivered corn prices opened higher this morning. Concern regarding South American crop development is driving corn prices higher this morning. As well, apprehension that U.S. farmers will not plant enough corn acres in 2011 to stave off a supply crisis is also providing support for prices. A private analytical firm cut its plant corn acreage estimate for 2011 by 2.5% to 90.8 million acres.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		130.84	134.12	137.06	141.12	156.05	156.98	159.34	148.30	144.57
		130.84	137.87	140.81	151.41	159.32	163.06	161.20	160.33	145.50
(Maple Leaf Sig. #4)		129.88	133.69	137.44	139.46	151.38	155.37	154.93	150.83	143.61
		129.88	136.23	139.62	146.89	154.46	158.09	156.47	155.80	145.59
Estimated Hog Margin		6.80	12.74	15.01	19.06	26.60	27.98	27.20	25.41	25.41
Soymeal Delivered	418	415	419	419	422	422	419	419	421	419
Corn Delivered	241	241	243	245	247	249				



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

