

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

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

Tuesday, December 21, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↓

US Slaughter	
433,000 – Monday's	
443,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$65.81
Western Corn Belt	\$65.80
Daily National Price	\$69.94
Daily Sig3(M.Leaf)	\$122.76
Daily Sig4(M.Leaf)	\$126.35
4-Month Fwd Avg	\$143.10
#1 Export Sows (+500lbs) \$38.50 cwt	
B of C Ex. Rate (Noon) \$1.0178CAD / \$0.9825US	
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 trading lower this morning as packers are easily meeting their production schedule, with some producers pulling some of their marketings ahead by one week. Hog supply will be abundant relative to the holiday shortened production schedule over the next three weeks, putting downward pressure on the live hog values. Wholesale pork prices should hold firm and move higher in response to the holiday schedule constraint. However, prices could take a dip early in the new year due to the temporary increase in production. Lean hog futures are expected to hold a steady to slightly lower trend until the USDA's Hogs and Pigs Report is released late next week. The Canadian Dollar is trading lower again today, partially due to lower than expected inflation in the month of November.

Canadian delivered soymeal prices opened higher this morning. Strong export demand and weather concern in Argentina are driving prices in the soybean complex higher this morning. A solid pace of shipments is currently overshadowing a slowdown in fresh daily sales. China's imports for November rose 47% compared with October, and were 90% higher than November of 2009.

Canadian delivered corn prices opened higher this morning. The corn market is trading higher this morning, with front-month corn hovering just below bull-market high of \$6.05/bushel, which was set in November. The bullish movement came as gains in cotton prices have traders concerned that farmers in the southern U.S. will dedicate an increased amount of acres to cotton as opposed to corn.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		131.26	134.53	137.34	141.83	156.78	157.72	160.83	149.28	145.53
		131.26	138.28	141.09	152.15	160.06	163.82	162.71	161.77	146.47
(Maple Leaf Sig. #4)		130.28	134.08	137.71	140.16	152.09	156.09	156.38	151.83	144.56
		130.28	136.62	139.89	147.61	155.18	158.82	157.93	157.20	146.56
Soymeal Delivered	421	419	423	423	432	432	432	432	434	430
Corn Delivered	241	241	243	245	247	249				

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		