

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, December 23, 2010

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

US Slaughter	
429,000 – Wednesday's	
423,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$67.26
Western Corn Belt	\$67.00
Daily National Price	\$70.05
Daily Sig3(M.Leaf)	\$124.63
Daily Sig4(M.Leaf)	\$126.18
4-Month Fwd Avg	\$146.73
#1 Export Sows (+500lbs) \$38.50 cwt	
B of C Ex. Rate (Noon) \$1.0148CAD / \$.9854US	
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 their last minute procurement needs by purchasing hogs at lower prices than was seen earlier this week. Next week's reduced slaughter schedule will have packers fill their slaughter requirements easily, even with lower cash bids. Lean hog futures are trying to digest the results of the Cold Storage Report and prepare for the release of the USDA's Quarterly Hogs and Pigs Report on Monday, December 27. Supplies of pork in cold storage were down from last year by about 3%, which reflects good demand given the huge production over the month of November. Most analysts expect most categories in the Hogs and Pigs Report to come in about 1% under last year's, with very few projections varying from the average.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning despite hot and dry weather in Argentina posing a threat to crop development. As well, the bearish movement came in spite of an increase in weekly export sales in the U.S. The USDA reported an increase of 827,800 tons, up from 173,600 tons the previous week.

Canadian delivered corn prices opened lower this morning. Profit taking after six straight days of gains along with a stronger U.S. Dollar is putting pressure on corn prices this morning. The downward movement came despite export sales of 906,100 tons, which was above trader's expectations of 700,000 tons, reported by the USDA.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		135.69	138.94	141.08	145.82	158.55	159.48	162.56	150.82	147.07
		135.69	142.66	144.80	156.09	161.81	165.55	164.43	163.31	148.01
(Maple Leaf Sig. #4)		133.83	137.43	140.94	143.47	153.26	157.24	157.42	153.29	146.04
		133.83	140.31	142.92	150.70	156.33	160.13	159.05	158.15	148.04
Soymeal Delivered	422	419	425	425	430	430	431	431	434	430
Corn Delivered	240	240	242	244	246	248				

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		

MERRY CHRISTMAS FROM H@MS!

