



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, December 29, 2010

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

US Slaughter	
428,000 – Tuesday's	
437,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$69.73
Western Corn Belt	\$69.52
Daily National Price	\$70.55
Daily Sig3(M.Leaf)	\$128.25
Daily Sig4(M.Leaf)	\$126.03
4-Month Fwd Avg	\$147.44
#1 Export Sows (+500lbs) \$38.00 cwt	
B of C Ex. Rate (Noon) \$1.0064CAD / \$0.9936US	
Cash Prices: Week Ending December 24th, 2010	
57.16/126.02 Signature #3	
56.56/124.69 Signature #4	
55.69/122.77 MPMC Cash	
53.38/117.68 Springhill	

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Forward contract prices opened higher this morning. U.S. cash markets have been firm despite the reduced slaughter schedule as limited producer marketings have forced packers to maintain their bids. Typically, the week between Christmas and New Year's results in weaker bids as the hog supply easily outpaces the production schedule. Lean hog futures are trading higher again this morning after two days of firmer trade. The summer and fall contracts have pushed through contract highs in response to Monday's release of the 4th Quarter Hogs and Pigs Report. The report forecast tighter hog supplies throughout 2011, with the long term trend of further reductions to supply being maintained into the end of the year due to reductions in the breeding herd of 1.2%.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning after a rally to 28-month highs. The market has been climbing progressively since June as China, the world's top oilseed importer, has purchased in U.S. soybeans at a record pace. Downside movement is expected to be limited by weather concerns in Argentina.

Canadian delivered corn prices opened steady this morning. The corn market is trading steady this morning despite seeing corn prices hitting fresh 29-month highs over the past two weeks. The increases were mainly due to South American production issues. The lack of moisture is poorly timed, occurring after a historic Russian drought and disappointing U.S. yields.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		138.14	139.79	144.31	159.09	160.01	163.57	151.11	147.42	144.57
		141.81	143.46	154.44	162.31	165.99	165.42	163.79	148.34	147.81
(Maple Leaf Sig. #4)		136.62	139.64	141.98	153.79	157.71	158.40	153.48	146.33	144.74
		139.46	141.59	149.10	156.82	160.56	160.01	158.61	148.30	145.46
Soymeal Delivered	430	432	432	438	438	440	440	443	445	433
Corn Delivered	244	244	246	248	250	252				

Forward Contracting Holiday Schedule

December 29- Regular Hours	December 31- CLOSED
December 30- Regular Hours	January 3- CLOSED