



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, December 30, 2010

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

US Slaughter	
426,000 – Wednesday's	
431,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$73.50
Western Corn Belt	\$73.22
Daily National Price	\$71.19
Daily Sig3(M.Leaf)	\$134.25
Daily Sig4(M.Leaf)	\$126.40
4-Month Fwd Avg	\$147.87
#1 Export Sows (+500lbs) \$38.00 cwt	
B of C Ex. Rate (Noon) \$1.0003CAD / \$.9997US	
Cash Prices: Week Ending December 24th, 2010	
56.56/124.69 Signature #3	
57.16/126.02 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 rocketed higher in yesterday's trade as packers are caught short for their production schedules. Prices climbed more than 5% to their highest levels in 4 months. Lean hog futures took the cue from the cash market and rallied approximately \$1.00/cwt to new contract highs. The market is also speculating that China will play a larger roll in 2011 export sales, as they will be forced to buy from foreign suppliers in order to help control inflation. The Canadian Dollar traded higher than its U.S. counterpart for the second straight day, but was unable maintain those gains at the close.

Canadian delivered soymeal prices opened higher this morning. Forecasts for stressful heat and dryness in Argentina over the next five days are working to move soybean prices higher this morning. Strong export demand, particularly from China, is also a major bullish factor for soybeans, as a tightening supply situation could cause a shortage.

Canadian delivered corn prices opened steady this morning. Profit taking in the corn market caused a decrease overnight, after hovering near 29-month highs. Strong corn prices over the last few weeks has put pressure on export sales, with the USDA reporting weekly sales of 756,600 tons, compared to 906,100 tons the previous week.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		138.63	140.24	144.75	159.42	160.34	163.87	151.33	147.64	144.97
		142.30	143.92	154.87	162.64	166.32	165.71	164.09	148.56	148.21
(Maple Leaf Sig. #4)		137.09	140.07	142.40	154.11	158.03	158.69	153.69	146.54	145.13
		139.93	142.03	149.53	157.14	160.88	160.29	158.90	148.51	145.85
Soymeal Delivered	430	432	432	436	436	439	439	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