

Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, May 21, 2010

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

US Slaughter	
397,000 – Thursday's	
408,000 - Thursday's (year ago)	
US Iowa/Sthrn MN	\$81.71
Western Corn Belt	\$81.70
Daily National Price	\$85.41
Daily Sig3(M.Leaf)	\$159.63
Daily Sig4(M.Leaf)	\$161.59
4-Month Fwd Avg	\$148.39
#1 Export Sows (+500lbs) \$54.00 cwt	
B of C Ex. Rate (Noon) \$1.0659CAD / \$.9341US	
Cash Prices: Week Ending May 21st, 2010	
72.40/159.62 Signature #3	
71.80/158.28 Signature #4	
70.93/156.37 MPMC Cash	
67.69/149.22 Springhill	

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Forward contract prices opened lower this morning. US cash markets are finishing the week lower with packers content to cut production despite strong demand for fresh pork in advance of next week's Memorial Day weekend. Lean Hog futures are also finishing the week lower and are approaching the lowest level in 2 months. June and July contracts are down 10% from the highs seen a month ago, due in large part to the counter seasonal weakness in the cash market over the last few weeks. The Canadian Dollar lost significant value against the US Dollar as currency traders flocked to the US Dollar amid another round of panic due to the European debt crisis. Please note that due to Victoria Day, we will be closed on Monday, May 24.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher this morning despite ongoing talk of China switching some South American soybean acquisitions to U.S. origins. These potential purchases are in addition to the USDA announcement of China buying 120,000 MT of U.S. soybeans for delivery in 2010/2011.

Canadian delivered corn prices opened lower this morning. Corn markets are trading marginally lower this morning despite decreases in crude oil futures and a stronger U.S. Dollar. Warm and dry conditions throughout the Corn Belt are expected to accelerate crop development, as well as aid growers who have yet to seed.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		153.47	152.50	152.79	140.88	133.53	124.25	117.96	123.33	131.16
		154.96	153.28	154.06	143.32	140.96	132.07	129.14	130.67	133.12
(Maple Leaf Sig. #4)		150.13	149.85	149.85	140.21	132.71	123.44	122.75	122.27	129.85
		150.32	150.89	153.44	145.12	138.58	130.44	130.06	127.96	131.27
Estimated Hog Margin		25.81	25.10	23.27	16.99	14.32	8.73	8.05	10.03	14.38
Soymeal Delivered	364	354	353	364	356	330	324	324	335	337
Corn Delivered	158	160	162	164	166	168	166	166	166	166



Rothsay Animal Vegetable Feed Fat

\$608/tonne ↓ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

