



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, June 03, 2010

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

US Slaughter	
411,000 – Wednesday's	
421,000 - Wednesday's (year ago)	
US Iowa/Sthrn MN	\$79.05
Western Corn Belt	\$78.79
Daily National Price	\$79.67
Daily Sig3(M.Leaf)	\$150.26
Daily Sig4(M.Leaf)	\$147.13
4-Month Fwd Avg	\$146.56
#1 Export Sows (+500lbs) \$51.00 cwt	
B of C Ex. Rate (Noon) \$1.0404CAD / \$0.9612US	
Cash Prices: Week Ending May 28th, 2010	
69.24/152.64 Signature #3	
71.08/156.70 Signature #4	
68.56/151.14 MPMC Cash	
65.84/145.14 Springhill	

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Forward contract prices opened higher this morning. The showdown in the cash market between packers and producers finally had the packers break the streak of lower prices by bidding \$3.50/cwt higher than what they were paying yesterday. Estimated operating margins have been excellent, causing packers to increase their slaughter schedules in an attempt to capture the impressive profits. Lean Hog futures responded to the cash market gains cautiously as they already have a stronger cash market trend factored into prices for the next few weeks. The Canadian Dollar has seen strength in the last few days of trading, with higher oil prices and speculation of higher interest rates fueling the gains. Typically when the Bank of Canada increases interest rates, it triggers a rally in the currency that reflects improved prospects for economic growth.

Canadian delivered soymeal prices opened higher this morning. Soybean meal markets are trading higher this morning as a result of strengthening crude oil futures, and a lack of farmer selling. Tight old-crop supplies are also contributing to this bullish movement as soybean meal continues to have a strong global demand.

Canadian delivered corn prices opened steady this morning. Corn markets opened steady this morning despite the overwhelming bearish influences of a lack of fresh export demand and continued favorable crop development in the U.S. With over 85% of planted corn already emerged, according to Tuesday's USDA Crop Report, buyers are expecting a drop in prices in the nearby future.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		150.50	152.12	141.05	135.91	126.85	119.77	125.03	132.67	
		152.60	154.89	145.35	141.92	134.48	131.62	132.19	134.58	
(Maple Leaf Sig. #4)		148.51	149.16	141.21	134.93	125.88	124.31	123.85	131.25	
		150.08	154.15	146.94	139.46	132.72	132.35	129.40	132.63	
Estimated Hog Margin		27.86	26.75	25.34	18.81	16.73	11.15	10.36	12.83	16.65
Soymeal Delivered	346	349	344	337	318	318	318	317	318	
Corn Delivered	149	151	153	155	157					

CONGRATULATIONS
Springfield Colony Farms
Winner of the May 2010 Sow and Boar Lottery